



# Newsletter

**April – June 2011**

## CONTENT

EUGBC Secretary General Participated in the Annual Conference of East Invest Project.....	3
EUGBC has organized a seminar on “Specific issues of the Export of the Organic Products from Third Countries to the EU Market”.....	4
EUGBC has successfully completed the project “Specific Issues of the Export of the Organic Products from Third Countries to the EU market”.....	5
Conference in the European Parliament: The Future of EU-Georgia Relations .....	5
Statement by Štefan Füle, Commissioner for Enlargement and European Neighbourhood Policy on the occasion of his meeting with the Deputy Prime Minister of Georgia.....	6
Delegation to the Euronest Parliamentary Assembly.....	7
Karel De Gucht, European Commissioner for Trade, remarked at the press conference on the review of the Generalised System of Preferences.....	8
European Parliament approved macro-financial assistance to Georgia.....	9
EU-Georgia Business Council (EUGBC) and EU Delegation to Georgia organized a meeting of businessmen with EU Official.....	10
The Fifth Plenary Session on the Negotiations of the EU-Georgia Association Agreement was held in Tbilisi .....	10
German Business Association Georgia (DWVG) has organized EXPO Germany at Tbilisi Event Hall.....	11
The European Parliament has rejected the unilateral declaration of independence of South Ossetia and Abkhazia.....	11
A meeting on trade and economic issues with the representatives of the European Commission took place in the EU Delegation in Tbilisi.....	12
The Ministry of Foreign Affairs of Georgia hosted the 10 <sup>th</sup> meeting of the EU Georgia Cooperation Sub-Committee on Economic, Trade and Legal Issues .....	12
European Week was held in Tbilisi.....	13
A new and ambitious European Neighbourhood Policy.....	13
The European Commission published the Reports on implementation of the European Neighbourhood Policy.....	15
European Integration: Prospects and Implications for Georgia.....	15

Debates on “Deep and Comprehensive Free Trade Agreement with Europe, costs versus benefits”....	16
The 8 <sup>th</sup> Panel on Trade and Trade Related Regulatory Cooperation linked to DCFTAs was held in Brussels on 15 June 2011.....	16
Meeting of the EU SME Panel under the Eastern Partnership Platform was held in the framework of OECD Eastern Europe and South Caucasus Initiative - Ministerial Conference on Enterprise and Competitiveness Policies for Eastern Europe and the South Caucasus.....	16
Europe House international conference – Eastern Links: Connecting for a European Future.....	17
The Forth Business Forum of Union of Black Sea and Caspian Confederation of Enterprises.....	17
EU-Georgia Human Rights Dialogue was held in Brussels.....	18
The President of Georgia, Mikheil Saakashvili visited Brussels.....	19
Preliminary Foreign Direct Investment Figure of Q1’11 by Geostat.....	19
EUGBC Board Member, Geir Westgaard and Secretary General, Konstantin Zaldastanishvili will participate in the 8 <sup>th</sup> International Conference: Georgia’s European Way.....	20
Invitation to submit expressions of interest to participate in the third meeting of the Eastern Partnership Civil Society Forum.....	20
ICC Georgia Seminar on Documentary Credits and ICC Rules to be held in September.....	21

**EUGBC Members’ News:**

Alcatel-Lucent Trade International AG Joined EU-Georgia Business Council.....	22
Poti Sea Port Transaction Successfully Completed.....	23
JSC Bank of Georgia signs merchant acquiring agreement with Diners Club International.....	23
JSC Bank of Georgia receives award for Outstanding Marketing from American Express.....	24
Evening of tasting the finest wines from the country of Georgia - the Cradle of Wine Making - in NYC.....	25
Company “BERTA” has introduced a new brand “Ovacio”.....	25

## **EUGBC Secretary General Participated in the Annual Conference of East Invest Project**



The Annual Conference of East Invest Project Partners and Associates took place in Brussels on March 31 - April 1, 2011.

EU-Georgia Business Council (EUGBC), as one of the Partners of East Invest Project (member of the "East Alliance") was represented at the conference by its Secretary General, Konstantin Zaldastanishvili. From Georgian side, Georgian Chamber of Commerce and Industry, Georgian Employers Association (both Partners of the East Invest Project) and German Business Association Georgia (Associate of the East Invest Project) also participated in the Annual Conference.

Participants of the conference were welcomed by: Alessandro Barberis, President of EUROCHAMBRES, Miroslav Lajčák, Managing Director Europe and Central Asia in European External Action Service, Jacek Saryusz-Wolski, Member of the European Parliament, Vice-Chair of the Delegation to the Euronest Parliamentary Assembly, H.E. Daniela Cujba, Ambassador, Head of the Mission of the Republic of Moldova to the European Union and Ivan Voles, Member of the European Economic and Social Committee and the Eastern Partnership Civil Society Forum.

Issues of the Eastern Partnership Strategy, as well as principles, objectives, governance and technical requirements of the East Invest Project were discussed at the two-day conference.

On March 31<sup>st</sup>, participants of the conference had a networking possibility at the dinner. In addition, on April 1<sup>st</sup>, the B2B meetings took place where Partners of the East Invest Project from the EU and Partners of the East Invest Project from six target countries had a chance to discuss possible cooperation in the frame of the East Invest Project (twinning, exchange programs, etc.).

East Invest is a EUROCHAMBRES initiative implemented by the "East Alliance" and co-financed by the European Commission. This is a regional investment and trade facilitation project for the economic development of the EU's Eastern Neighbours, launched in the framework of the EU's Eastern Partnership initiative. It targets Business support organisations and SMEs from six Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine).

Main objectives of the East Invest are:

To promote and facilitate investment and economic cooperation at large between the EU and Eastern Partnership countries, and also among above-mentioned six target countries; To create the "East Alliance", mobilising business organisations from both sides with the aim to engage them in a sustainable partnership and dialogue both within the private sector, as well as with the public authorities; To develop concrete activities that will generate immediate results for SMEs in the region.

Its main activities are:

To provide training and technical assistance to SMEs in the Eastern Partnership countries, to enhance their networking and trading competences and opportunities; to provide technical assistance to Business Support Organisations, to enhance their abilities in supporting and representing SMEs; to consolidate SME support networks through the "East Alliance".

For more information about the East Invest Program please visit the East Invest web site: [www.East-Invest.eu](http://www.East-Invest.eu) that will be activated from April 11<sup>th</sup>.



***EUGBC has organized a seminar on "Specific issues of the Export of the Organic Products from Third Countries to the EU Market"***

The EU-Georgia Business Council (EUGBC) with the support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in cooperation with Biological Farming Association "Elkana" organized a seminar – "Specific issues of the Export of the Organic Products from Third Countries to the EU Market" on April 14 at the German House, Tbilisi.

Tamar Khuntsaria, EU-Georgia Business Council Representative in Georgia, Giorgi Grdzlishvili, Team Leader Georgia of the regional programme „Private Sector Development in South Caucasus“, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Nodar Kereseldize, Head of International Relations Department in the Ministry of Agriculture of Georgia opened the seminar and took part in its working sessions.



During the seminar Mariam Jorjadze, Director of Biological Farming Association "Elkana" and Zurab Nadareishvili, Executive Director of Organic Certification Body "Caucascert" provided participants with the information on the following subjects:

- The EU rules on organic production;
- The Control system applicable to organic production in the EU;
- The EU standards on packaging, labelling, transportation and storage for organic products;
- The EU import rules for organic products of third countries.

Around 80 representatives of business community, NGOs, Ministry of Agriculture, Ministry of Economic and Sustainable Development, Ministry of Foreign Affairs of Georgia and media took part in the seminar.

Participants showed a strong interest in the seminar topics, which resulted in a lively discussion and Q&A sessions.

## ***EUGBC has successfully completed the project - "Specific issues of the Export of the Organic Products from Third Countries to the EU Market"***

The EU-Georgia Business Council (EUGBC) completed the project funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.



In the scope of the project, EUGBC has issued publication on *Specific issues of the Export of the Organic Products from Third Countries to the EU Market* and organized the respective seminar to raise business sector's awareness of internationally recognized trade practices, rules and conditions for access to the European Union (EU) market, as well as provide interested parties, with an opportunity to better understand the requirements and specific issues of production and export of organic products to the EU market.

Release of the publication and the respective seminar were covered by media.

The [Program Report](#) was submitted to GIZ in April 2011 and received a positive feedback. For downloading the Report Please visit [www.eugbc.net](http://www.eugbc.net) – publications.



### ***Conference in the European Parliament: The Future of EU-Georgia Relations***

The Secretary General of the EU-Georgia Business Council, Konstantin Zaldastanishvili participated in the conference - *The Future of EU-Georgia Relations*, held in Brussels in the European Parliament (EP) on April 19, 2011. The Seminar was organised and hosted by EPP (European Peoples Party) Group of EP.

Deputy Prime Minister of Georgia, Giorgi Baramidze, Chairman of the Committee for European Integration of the Georgian Parliament, David Darchiashvili, Chairman of the Christian Democratic Movement of Georgia, Member of the Georgian Parliament, Giorgi Targamadze, Deputy Foreign Minister of Georgia, Chief Negotiator for the Association Agreement between EU and Georgia, Tornike Gordadze, President of EPP Group of EP, Member of EP (MEP) Joseph Daul, EPP Group Vice-Chairman, MEP, Gunnar Hoekmark, Minister of State for Foreign Affairs of Hungary, Zsolt Nemeth, Standing Rapporteur for Georgia, Vice-Chairman of the Security and Defence Sub-committee, MEP, Krzysztof Lisek, Vice-Chairman of Delegation to the EU-Georgia Parliamentary Cooperation Committee, Former president of Lithuania, MEP, Vytautas Landsbergis, EPP Coordinator in Foreign Affairs Committee, MEP, Elmar Brok and others have discussed the issues of EU-Georgia relations, including reform process in Georgia, EU-Eastern Partnership's role for strengthening stability in the region.

Participants of the conference supported Georgia's European aspirations, confirmed their full support to Georgia's territorial integrity and underlined that occupation of the Georgian territories by Russia is unacceptable for the EU. It was firmly stated that the EU and its Member States will never recognize the independence of these Georgian regions.

The conference was followed by a reception in the presence of the First Lady of Georgia, Sandra Rulofs.

**Statement by Štefan Füle, Commissioner for Enlargement and European Neighbourhood Policy, on the occasion of his meeting with the Deputy Prime Minister of Georgia**

On 18 April 2011, on the occasion of his meeting with the Deputy Prime Minister of Georgia, Štefan Füle, Commissioner for Enlargement and European Neighbourhood Policy made the following statement:



"Today I met with the Deputy Prime Minister Baramidze of Georgia. We discussed number of issues regarding relations between the EU and Georgia in the context of the European Neighbourhood Policy (ENP) and the Eastern Partnership, and had an exchange of views on regional and international issues.

I explained that the Commission and the European External Action Service were in the final stage of preparation of the Joint Communication on the ENP review. We also discussed how to strengthen the Eastern Partnership and its policy instruments so that they could be better tailored to the needs of the countries of the South Caucasus.

I welcomed the progress achieved so far in the Association Agreement negotiations. I strongly encouraged Georgia to continue to engage constructively and keep a pragmatic approach during these negotiations. Regarding the Deep and Comprehensive Free Trade Area (DCFTA), the Commission is committed to recommending Member States the start of DCFTA negotiations with Georgia as soon as sufficient progress in the implementation of the "key recommendations" has been made. I have welcomed the technical meetings that recently took place between the two sides as key elements to narrow down the remaining open issues to be addressed before the start of DCFTA negotiations is possible.

The ENP review and events in the Southern Neighbourhood have demonstrated an increased importance to ensure that voices of the peoples are heard and that political pluralism and free and fair elections are in place. Therefore, I welcome the dialogue between the Government and the Opposition on the reform of the electoral code. I also welcome the engagement of civil society in this process. These talks are important for building trust and confidence among all stakeholders. I also welcome the intention of the Georgian authorities to consult closely with the Council of Europe/Venice Commission.

I have reaffirmed that the Commission is ready to accompany Georgia's reform efforts through increased technical and financial assistance. In particular, the Commission is ready to increase its support for institution building and for confidence building measures. The Commission has proposed four million euro Programme on "Support to Conflict Settlement" for 2011, which we hope will represent a benchmark for future conflict resolution initiatives. In this context, I am pleased that an agreement has been found between the two sides on the way forward regarding the application of the implementation modalities to the Confidence Building Early Response Mechanism project.

I have welcomed Georgia's invitation to participate in the international conference on "Cooperation in the framework of the Eastern Partnership" to be held in Batumi on 21-23 July. Coming after the release of the Communication on the ENP review and before the Summit on the Eastern Partnership, the conference will provide an excellent opportunity to reflect on how to strengthen the Eastern Partnership."





## **Delegation to the Euronest Parliamentary Assembly**

EURONEST, the Parliamentary Assembly was established as the parliamentary dimension of the Eastern Partnership, the policy launched by the European Union for its Eastern neighbours to bring them closer to the EU, avoiding new dividing lines, and to support, also through financial resources, their efforts for political, economic and social reform. The European Parliament had called for the creation of the Assembly already during its 6<sup>th</sup> legislature.

EURONEST is the institution for multi-lateral parliamentary dialogue and exchange among the Eastern partners and between the MEPs and their Eastern partner countries' homologues in several areas of common interest: stability, democracy, legal and standards approximation, trade, energy, people-to-people contacts and many others.

EURONEST is composed of 120 Members: 60 Members from the European Parliament (this is also the number of Members of the current EP delegation) and 10 from each of the Eastern Partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

The EP Delegation to the EURONEST multi-lateral Parliamentary Assembly was created by decision of the European Parliament on 6 May, 2009 and constituted in the beginning of the 7<sup>th</sup> legislature (end of September 2009).

The first EURONEST Parliamentary Meeting was held in Brussels on 3 May, 2011, bringing together legislators from Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The participation of legislators from Belarus was temporarily suspended in the framework of the EU's sanctions imposed against Belarus' leadership.

The main goal of the meeting was to adopt the rules of procedure, elect co-presidents, the bureau and working groups, and sign the constituent act.

The meeting decided that Kristian Vigenin, a Bulgarian member of the European Parliament, will co-preside over Euronest together with the head of the Ukrainian delegation, Borys Tarasyuk.

European Parliament President, Jerzy Buzek attended the meeting.

European Union High Representative for Foreign Affairs and Security Policy and European Commission Vice-President (HR/VP) Catherine Ashton and European Commissioner for Enlargement and European Neighbourhood Policy Stefan Füle issued the following Joint statement on the occasion of the first meeting of the EURONEST Parliamentary Assembly:

*"We warmly welcome the convening of the first meeting of the EURONEST Parliamentary Assembly today. The institutional framework of the Eastern Partnership is now complete. We would like to congratulate those who have come to Brussels to take part in this important occasion, as well as the Members of the European Parliament present today. Our best wishes for a successful meeting. "*

Full members of the Euronest Parliamentary Assembly from Georgia are David Darchiashvili, the Chairman of the Delegation, United National Movement, Giorgi Meladze, United National Movement, Giorgi Gabashvili, United National Movement, Khatuna Gogorishvili, United National Movement, Lasha Todria, United National Movement, Irakli Kenchoshvili, United National Movement, Chiora Taktakishvili, United National Movement, Magdalina Anikashvili, Christian – Democrats, Giorgi Gogvadze, Regions of Georgia – Majoritarians, Gia Tortladze, Powerful Georgia. Substitute Members are: Zviad Kukava, United National Movement, Khatuna Ochiauri, United National Movement, Giorgi Akhvlediani, Christian – Democrats, Giorgi Tatishvili, Regions of Georgia – Majoritarians, Guram Chakhvadze, Powerful Georgia.



***Karel De Gucht, European Commissioner for Trade, remarked at the press conference on the review of the Generalised System of Preferences***

On May 10, 2011, Karel De Gucht, European Commissioner for Trade delivered his following [remarks on the review of the Generalised System of Preferences](#) at the press conference on the GSP review in Strasbourg:

"Good afternoon ladies and gentlemen.

Today the Commission presented a proposal to reform its import scheme for developing countries. We want to adapt the current rules to the changing global landscape.

Over the last decades, the EU has offered reduced duties for developing countries, thereby granting "trade preferences": this is the Generalised System of Preferences, or GSP.

This help is presently provided to 176 countries and territories across the world. It means that these beneficiaries pay reduced duties or no duties at all on imports worth about €60 billion. This is equivalent to just under 4% of all imports into the EU.

The existing incentive scheme has - in part - helped countries to boost their exports and to integrate into world markets.

Furthermore, we recognise and commend the achievement of countries classified by the World Bank as higher or upper-middle income countries – such as Russia, Malaysia, Saudi Arabia or Qatar. This achievement is such that their income is similar or even higher than that of some EU Member States. So we thought that trade preferences did not make that much sense anymore.

We also need to recognise that the world has changed since this system was introduced in the 1970s and so too has the pattern of international trade. And so should our policies.

So this means that, on the one hand, we have a group of countries now rising from poverty to new found economic strength. However, on the other hand and in the light of the economic crisis, many less advanced countries have fallen behind - in particular the poorest.

Their development needs are enormous in comparison with the economic frontrunners. And yet, almost 40% of our current preferences benefit Russia, Brazil, China, India, and Thailand – which no longer need preferences to maintain and build upon their success. And with many of the others, the EU already has Trade Agreements which offer better market access for goods than the GSP and also for services that are not included in GSP. This is not protectionism - as some have suggested. As I will explain, this updated system will give poorer countries a competitive edge whilst recognising that others are now ready to take their rightful place on the world trade stage – for example by entering into Free Trade Agreements with the EU. So, allow me to briefly explain what today's proposal is about:

First, we want to focus our preferences on those who really need our support – so we go from 176 to approximately 80 countries. The final decision is subject to codecision procedure, but it is about half the number. These 176 are not all countries, they also include overseas territories of EU Member States, for instance, and territories run by other countries, as Guam is by the USA, which means that trade arrangements with such territories should be fully integrated with the countries responsible.

All countries remain eligible to apply for the system should their economic situation change or should their special trade relationship with us lapse. This is not about including or excluding specific countries, but about adapting our trade regime, in place since the 1970s.



Second, we will expand our support for those that are serious about embracing core universal values of sustainable development, in the so-called GSP+ scheme. We want to make the system a real incentive for more developing countries to adhere to key international conventions, for example regarding human rights, good governance or anti-terrorism.

However, there is no blank cheque. The monitoring process will be reinforced and made more transparent – the Commission will have to come forward with reports on its applications – also with the help of the European Parliament which will from now on be involved.

The system should become more stable. It will no longer chop and change so frequently – so allowing more predictability for importers.

The burden of proof will be reversed, so that potential "offenders" will have to prove they apply key international Conventions upon their application for GSP+.

Third: We have also updated the conditions for temporary withdrawal from the whole scheme (including the supply of raw materials, the fight against terrorism) as new conditionalities. In addition, EU business should be pleased that we have the safeguard mechanisms to protect certain EU industries from a sudden surge of imports that applies to the general safeguard and then you have the special safeguards for textiles, fisheries and those can be combined.

All in all, I am convinced this is a fair and balanced proposal which reflects the views of a broad audience including civil society, business, EU institutions, third countries and the general public. It now goes, in parallel, to the European Parliament and the Council of Ministers with a view to enter into force on 1 January 2014. The final list of beneficiary countries will be determined at the end of this legislative process.

We have now proposed this; this will go into the codecision procedure, which will take some time. The process is likely to last one year to one-and-a-half years, which is the maximum amount of time that this can take because some time will be needed for people to become aware of the new system before it is due to enter into effect.

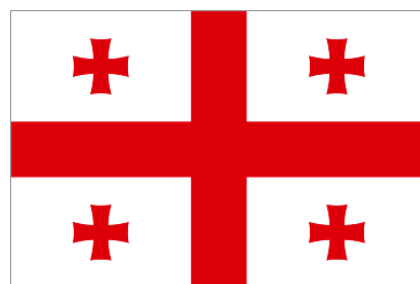
Thank you for your attention."

### ***European Parliament approved macro-financial assistance to Georgia***

A second, 46 million euro financial assistance package to Georgia was approved by the European Parliament on May 10, 2011.

The macro-financial assistance is the second half of the previous commitment by the EU, and would be offered half in grants and half in loans. The Parliament has argued that the release of funds should be dealt with in the same spirit as the previous instances of EU macro-financial assistance under the Lisbon Treaty, and will therefore simply adopt the Commission proposal as is.

The Council of the European Union, however, has proposed that it should have a larger say in overseeing the release of funds (in technical terms, it argues for oversight through the "examination procedure," as opposed to the "advisory procedure").



## ***EU-Georgia Business Council (EUGBC) and EU Delegation to Georgia organized a meeting of businessmen with EU Official***

The EU-Georgia Business Council (EUGBC) and the Delegation of the European Union to Georgia organized a round-table discussion on business environment in Georgia on the occasion of the visit of Gunnar Wiegand, European External Action Service (EEAS) Director for Russia, Eastern Partnership, Central Asia Regional Cooperation and OSCE, Chief Negotiator of the Association Agreement with Georgia, on 18 May, at Europe House in Tbilisi.



Participants of the round-table were representatives of leading businesses - members of EUGBC, French Business Council Georgia, German Business Association Georgia, Amcham Georgia, International Chamber of Commerce in Georgia (ICC), Small and Medium Enterprise Association (GSMEA) and Georgian Chamber of Commerce and Industry.

Ambassador Philip Dimitrov, Head of Delegation of the European Union to Georgia and Konstantin Zaldastanishvili, Secretary General of EUGBC opened the meeting and welcomed the guests. Gunnar Wiegand made presentation and informed the business representatives on the current state of the negotiations on Association Agreement between Georgia and EU and talks that precede future negotiations on the Deep and Comprehensive Free Trade Agreement (DCFTA) with Georgia.



The meeting was followed by a lively discussion, questions and opinions voiced from the represented businesses. The event was finalized by the press conference.

## ***The Fifth Plenary Session on the Negotiations of the EU-Georgia Association Agreement was held in Tbilisi***

The fifth plenary session on the Negotiations of the EU-Georgia Association Agreement was held in Tbilisi on May 17-18, 2011

The Georgian delegation consisted of representatives of the relevant line Ministries and was led by the Deputy Foreign Minister Mr. Tornike Gordadze, chief negotiator from the Georgian side. The European side was led by its chief negotiator Mr. Gunnar Wiegand, the Director for Russia, Eastern Partnership, Central Asia, Regional Cooperation & OSCE in the European External Action Service.



On May 17, discussion was held on the Association Agreement's Preamble, Political Dialogue and Reform, and the Common Foreign and Security Policy. On May 18, Financial, Economic and Sectoral co-operation issues were discussed.

Sides took stock of the progress achieved since the launch of negotiations and set plans for the future cooperation.



## **German Business Association Georgia (DWVG) has organized EXPO Germany at Tbilisi Event Hall**

German Business Association Georgia (DWVG) hosted the 2<sup>nd</sup> EXPO of German companies in Georgia in Tbilisi Event Hall on 19 May. The EXPO was a portfolio exhibition of German companies in Georgia/Southern Caucasus. Target group of the EXPO comprised companies, representatives from business and media, and the population of Tbilisi. EUGBC was represented by the Secretary General Konstantin Zaldastanishvili.

Welcome speeches were delivered by H.E. Ortwin Hennig, Ambassador of the Federal Republic of Germany to Georgia; Vera Kobalia, Minister of Economy and Sustainable Development of Georgia; H.E. Gabriela von Habsburg, Ambassador of Georgia to the Federal Republic of Germany.

The programme included quiz & raffle, Schuchmann Wine Tasting, German Beer Tasting, Concerts of DAAD Scholars, German Beer Garden and Restaurant.

The EXPO Germany was part of the "German Days in Tbilisi". For more information please visit [www.deuschetageintiflis.ge](http://www.deuschetageintiflis.ge) or contact German Business Association Georgia (DWVG) - [www.dwvg.ge](http://www.dwvg.ge), +995-32-20.57.67, [info@dwvg.ge](mailto:info@dwvg.ge).

## **The European Parliament has rejected the unilateral declaration of independence of South Ossetia and Abkhazia**

The European Parliament President, Jerzy Buzek visited Tbilisi during his South Caucasus tour on May 18-21, 2011. On May 19<sup>th</sup>, he delivered a keynote speech at the Community of Democracies Parliamentary forum in Tbilisi. Mr. Buzek also met with David Bakradze, Chairman of the Parliament of Georgia and the opposition leaders. Later, he held a meeting with the civil society organizations and Ombudsman, George Tugushi. The meeting with Mikheil Saakashvili, President of Georgia concluded the visit.



President Buzek called for keeping the momentum in Georgia's reforms:

"I would like to reassure you of the EU's continued and strong commitment to Georgia. The EU supports the independence, sovereignty and territorial integrity of Georgia. I deeply regret the continued presence of Russian troops in the breakaway regions. The European Parliament has rejected the unilateral declaration of independence of South Ossetia and Abkhazia.

I call for a renewed momentum in your reform effort. To deepen our partnership, further improvements are necessary in respect of human rights, media pluralism, independence of judiciary, rule of law, cooperation with the opposition. We would not like to impose anything on Georgia. It must be Georgia's and its citizens' choice.

We have very good negotiations on the Association Agreement and visa facilitation agreement. These are very important points in our relationship.

I welcome Georgia's commitment to EURONEST. This can be a crucial mechanism for intensified parliamentary dialogue and for strengthening regional cooperation.

We share the same values and heritage. So, good cooperation and building common future comes natural for us."

## ***A meeting on trade and economic issues with the representatives of the European Commission took place in the EU Delegation in Tbilisi***

On the occasion of the 10<sup>th</sup> meeting of the EU-Georgia Subcommittee on Trade, Economic and related Legal Issues to be held on 25 May in Tbilisi, the EU Delegation arranged a meeting of Georgian business associations with colleagues from Brussels on the margins of the Trade Subcommittee. The meeting was held on 24 May at the EU Delegation premises.

The Brussels delegation, composed of representatives from DG Trade, DG Internal Market, DG ECFIN, DG Enterprises, heard the views of the representative of business associations about the economic and trade situation in Georgia. A major theme of discussion was the prospect of the Deep and Comprehensive Free Trade Agreement (DCFTA) with Georgia, problems and perspectives.

From Georgian side, EU-Georgia Business Council (EUGBC), International Chamber of Commerce (ICC) – Georgia, and Georgian Chamber of Commerce and Industry took part in the meeting. Country representative, Tamar Khuntsaria, participated on behalf of EUGBC.

## ***The Ministry of Foreign Affairs of Georgia hosted the 10<sup>th</sup> meeting of the EU- Georgia Cooperation Sub-Committee on Economic, Trade and Legal Issues***

The Ministry of Foreign Affairs of Georgia hosted the 10<sup>th</sup> meeting of the EU-Georgia Cooperation Sub-Committee on Economic, Trade and Legal Issues on 25 May 2011.

European Integration Department Director Tea Akhvlediani chaired the meeting from the Georgian side. Head of Unit for Trade aspects of European neighbourhood policy and trade relations with countries of the CIS and Balkans of the European Commission's Directorate General of Trade, Luc Pierre Devigne chaired the meeting from the European side.



The representatives of the relevant ministries from Georgia, the European Commission, the European External Action Service and the EU delegation in Georgia attended the meeting.

The sides discussed reforms implemented by the government and activities conducted in economy and trade, including macroeconomic development, investments and cooperation in tax and customs administration.

Particular attention was paid to topics related to the Deep and Comprehensive Free trade agreement with the EU. The EU welcomed Georgia's reforms in different fields. The parties also discussed further activities and the EU's support through aid programs.





## **European Week was held in Tbilisi**

European Week in Tbilisi - a series of events aimed at building closer ties between Georgia and Europe in the fields of culture, civil society, education and politics – was hosted by Europe House on May 25-30, 2011 in Tbilisi.

It aimed at raising awareness on the current developments in the European Union whilst providing a space for opinion leaders from both sides to exchange their views about issues of importance and concern.

A detailed agenda of the European Week in English and Georgian languages is available at [www.europeanweek.ge](http://www.europeanweek.ge).

## **A new and ambitious European Neighbourhood Policy**

On May 25, 2011, European Union High Representative for Foreign Affairs and Security Policy and European Commission Vice-President (HR/VP) Catherine Ashton and EU Commissioner for Enlargement and Neighbourhood Policy, Štefan Füle [launched a new and ambitious European Neighbourhood Policy \(ENP\)](#) confirming the EU's determined and reinforced engagement with its neighbours.



Proposal by the European External Action Service and European Commission to Member States and the European Parliament, sets out the main priorities and directions of a revitalised ENP strategy which seeks to strengthen individual and regional relationships between the EU and countries in its neighbourhood through a 'more funds for more reform' approach - making more additional funds available, but with more mutual accountability.

On top of the € 5,7 billion already allocated for the period of 2011-2013, additional funding of € 1,24 billion has been transferred from other existing resources, and will now be made available in support of the ENP.

In addition, the Council of European Union has agreed to the HR/VP's proposal to increase EIB (European Investment Bank) lending to the Southern Mediterranean by € 1,0 billion over the same period. The EBRD (European Bank for Reconstruction and Development) backed her request to extend their operations into the MENA region, starting with Egypt. Their expectation is that annual lending volumes could reach around € 2,5 billion a year by 2013.

*"With so much of our Neighbourhood in a process of democratic change, this review is more important than ever. It is vital that we in the EU make a comprehensive offer to our neighbours and build lasting partnerships in our neighbourhood,"* Catherine Ashton said.

*"What we are launching today is a new approach. A partnership between peoples aimed at promoting and supporting the development of deep democracy and economic prosperity in our neighbourhood. This is in all our interests. We will make funding available for countries in our neighbourhood to support and match the speed of political and economic reform they wish to make. Our support is based on partnership, not on imposition. It is a relationship based on mutual accountability which cuts both ways where each side will hold the other to account against agreed goals and objectives.*

*"Against the backdrop of a tough economic climate, but mindful of the need for the EU to act, our proposal also needed to be financially innovative and this is why I took the initiative to secure additional finance from the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD),"* she said.



Štefan Füle emphasized: *"A number of our neighbours, both in the East and in the South, are engaging in a transformation process out of which they want to emerge as more democratic and more prosperous societies. The EU needs to respond with determination and ambition, through a new approach to the ENP, drawing the right lessons from our experience so far and addressing the challenges of a fast-changing neighbourhood"*

*The new approach involves a much higher level of differentiation; this will ensure that each partner country develops its links with the EU as far as its own aspirations, needs and capacities allow. This is not a one size fits all approach. Increased EU support to its neighbours is conditional. It will depend on progress in building and consolidating democracy and respect for the rule of law. The more and the faster a country progresses in its internal reforms, the more support it will get from the EU.*

*We are ready to support these more ambitious objectives with increased resources and better incentives. We also aim to make our delivery of assistance more flexible and more rapid to respond to a fast changing neighbourhood. I hope that all EU institutions and Member States can rally behind our proposals and help in the delivery of this new approach, to the common benefits of the EU and its neighbours"*

The renewed ENP builds on the achievements the EU's Neighbourhood Policy since it was first launched in 2004, and responds to partner countries' quests for more freedom and a better life. It offers new types of support for more sections of society, and introduces more incentives to pursue reform. Today's Communication is a culmination of an extensive review and consultation with governments and civil society organizations both within the EU and in the 16 ENP partner countries to Europe's South and East.

It further develops the 'Partnership for democracy and shared prosperity with the southern Mediterranean' which was agreed in March 2011, in immediate response to the upheaval and democratic aspiration currently being seen in North Africa. It also builds upon the Eastern Partnership, launched in 2009.

#### [A number of important principles underpin the new European Neighbourhood Policy:](#)

*1. To support progress towards "deep democracy"* - A functioning democracy, respect for human rights and the rule of law are fundamental pillars of the EU partnership with its neighbours. There is no set model or a ready-made recipe for political reform. While reforms take place differently from one country to another, several elements are common to building deep and sustainable democracy and require a strong and lasting commitment on the part of governments.

*2. To support sustainable economic and social development* – Most partner countries have weak and poorly diversified economies that remain vulnerable to external economic shocks. The immediate objectives are to promote sustainable economic growth and job creation and improving social protection. Trade is a powerful instrument to stimulate economic growth and support economic recovery. It is therefore essential that we establish with each of them mutually beneficial and ambitious trade arrangements matching their needs and their economic capacities. Finally, sector co-operation provides the opportunities to advance economic integration with the EU internal market.

*3. To build effective regional partnerships within the ENP* - To strengthen the Eastern Partnership and to build the Partnership for Democracy and Shared Prosperity in the Southern Mediterranean

*4. A simplified and coherent policy and programming framework* – Bilateral relations between the EU and each of its neighbours have become stronger in recent years. Close and intensive dialogue has developed not only on general political matters but on all specific areas of our co-operation. These very close relationships and a higher level of commitment call for much stronger political steering of dialogue and co-operation.

While ENP Action Plans remain the framework for our general cooperation, the EU will suggest to partners that they focus on a limited number of short and medium-term priorities, incorporating more

precise benchmarks and a clearer sequencing of actions. The EU will adapt the priorities for its financial assistance accordingly.

Implementing the new approach of the neighbourhood policy requires additional resources of up to €1242 million until 2013. Financial support will be provided to further reinforce the partnership with people across the region, support sustainable and inclusive growth, cover the additional needs stemming from the democratic transformation of partner countries, and fund the new initiatives stemming from this review, notably in the areas of partnership with societies, rural and regional development.

### ***The European Commission published the Reports on implementation of the European Neighbourhood Policy***

On 26 May 2011, The European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy published Progress reports on implementation of the European Neighbourhood Policy (ENP) during 2010 in EU's 12 neighbouring countries including ENP Country Progress Report 2010 – Georgia. The Report in [Georgian](#) and [English](#) languages is available at [www.eugbc.net](http://www.eugbc.net) – news.



### ***European Integration: Prospects and Implications for Georgia***

“The European Integration: Prospects and Implications for Georgia” debate took place at the Georgian National Museum on Saturday, May 28. The event was organized with the support of the Eurasia Partnership Foundation in Georgia.



Speakers of the event were H.E. Ambassador Philip Dimitrov, Head of the EU Delegation to Georgia, Mr. Nicu Popescu, Senior Research Fellow at the European Council on Foreign Relations, London, Mr. Vakhtang Lejava, Chief Adviser to the Prime Minister of Georgia and Mr. Kakha Gogolashvili, Director of the Center for EU Studies, Georgian Foundation for Strategic and International Studies. The discussion was moderated by Ms. Ketevan Vashakidze, Country Director of Eurasia Partnership Foundation.

The speakers touched upon the following issues:

- What changes did the EU membership bring to countries of Central and Eastern Europe?
- What are some of the challenges that Georgia faces on the road toward European integration?
- Will the European Union be ready to expand further to accept Georgia as its member state? If not, how can Georgia benefit from becoming closely integrated with the EU?
- Are there any concessions that Georgia is making only to achieve integration with the European Union?
- Are there any alternatives to EU integration for Georgia?

The debate was conducted within the framework of the European Week organized by Europe House Georgia.

***Debates on "Deep and Comprehensive Free Trade Agreement with Europe, costs versus benefits"***

ICC-Georgia organized a debate entitled "Deep and Comprehensive Free Trade Agreement with Europe, costs versus benefits" on June 7, 2011, at Sheraton Metechi Palace in Tbilisi

The panellists were H.E. Ambassador Philip Dimitrov, Head of the EU Delegation to Georgia, Ms. Tamar Kovziridze, Advisor to the Prime Minister of Georgia, Mr. Gia Jandieri, Vice-President of the New Economic School, Dr. Dietmar Doering, Free Trade Economist from Berlin, Germany and Dr. Kakha Gogolashvili, Director of EU Studies at the GFSIS.

The aim of this round table was to give the business community a bird's eye view on this initiative and give various stakeholders the opportunity to present their findings and arguments; a lively discussion was followed by the presentations.

***The 8<sup>th</sup> Panel on Trade and Trade Related Regulatory Cooperation linked to DCFTAs was held in Brussels on 15 June 2011***

EUGBC Secretary General, Konstantin Zaldastanishvili participated in the 8<sup>th</sup> Panel on Trade and Trade Related Regulatory Cooperation linked to Deep and Comprehensive Free Trade Agreements (DCFTAs). The event was organised by European Commission (EC) in the scope of Eastern Partnership and was held in Brussels on 15 June 2011. The topic of the panel was Competition Policy. Peter Van den Heuvel, representative of Directorate General (DG) for Trade of EC opened the panel and welcomed the participants.

Representative of DG Competition of EC, Sam Pieters made the overview of EU competition legislation - Antitrust, cartels and mergers, as well as talked about EC experience on effective enforcement of competition rules in times of economic crisis.

Eva Valle Lagares, representative of DG Competition spoke about EU State aid and public undertakings.

Levon Zakaryan, representative of State Commission for the Protection of Economic Competition of the Republic of Armenia presented the experience of modernising competition legislation in Armenia.

The presentations were followed by Q&A session.

***Meeting of the EU SME Panel under the Eastern Partnership Platform was held in the framework of OECD Eastern Europe and South Caucasus Initiative - Ministerial Conference on Enterprise and Competitiveness Policies for Eastern Europe and the South Caucasus***



Meeting of the EU SME Panel under the Eastern Partnership Platform 2 was held in the framework of OECD Eastern Europe and South Caucasus Initiative - Ministerial Conference on Enterprise and Competitiveness Policies for Eastern Europe and the South Caucasus, in Prague, Czech Republic on 16 June 2011.

Welcome and opening addresses were delivered by Mr. Petr Burianek, Director, Ministry of Foreign Affairs, Czech Republic, Mrs. Joanna Drake, Director (DG Enterprise/EC), Chair of the SME Panel, and Mr. Anthony O'Sullivan, Head of OECD Private Sector Development Division.

During the event presentations were made on the following topics: Support for SME access to finance delivered by EIB Group and Supporting Access to Finance for SMEs delivered by EBRD. In addition, presentation was made by the European Commission on the theme - Think Small First Principle. Panel participants had the opportunity to ask questions and comment on the presentation.

The European Enterprise Network (EEN) was introduced by the European Commission (DG Enterprise) with the theme - Best Practice by a Partner Country: Presentation "Armenia on the experience with the Enterprise Europe Network."

Implementation of the SME Flagship Initiative was introduced by the European Commission (DG Development and Cooperation) with the presentations on the State of Play of the Implementation of the SME Flagship Initiative.

Panel participants had the opportunity to ask questions and comment on this presentation.

The event was concluded by a reception hosted by the Ministry of Foreign Affairs of the Czech Republic.



### ***Europe House international conference – Eastern Links: Connecting for a European Future***

Europe House Georgia organized the international conference – *Eastern Links: Connecting for a European Future* – on 23 June, 2011 at Europe House in Tbilisi. The aim of the conference was to bring together Georgian civil society leaders and their Eastern Partnership country peers from Armenia, Azerbaijan, Belarus, Moldova and Ukraine in order to exchange best practices in advancing European integration within their respective societies.

Specifically, the conference addressed the issues of visa facilitation, free-trade agreements, public awareness raising about European values and European integration as an advocacy tool for democratization within four parallel workshops. These were practical sessions facilitated by civil society leaders from the Eastern Partnership countries.

The conference was organized with the generous support of the Black Sea Trust for Regional Cooperation of the German Marshall Fund.

### ***The Forth Business Forum of Union of Black Sea and Caspian Confederation of Enterprises***

The Fourth Business Forum of Union of Black Sea and Caspian Confederation of Enterprises took place in Batumi from 30<sup>th</sup> June to 2<sup>nd</sup> July, 2011. Key personalities and high level officials were invited to engage in challenging debates, while specific presentations were delivered by competent authorities, pointing out the investment and trade opportunities of Georgia and the green potential of the Region.



Welcome dinner was hosted by Georgian Entrepreneurs Confederation (GEC) at Hotel Sputnik. The first day of the forum was opened with introductory statements by Dr. Athanase Lavidas, President, UBCCE, Mamuka Skhvitaridze, President of Georgian Entrepreneurs Confederation, and Levan Varshalomidze, Head of the Government of Autonomous Republic of Ajara. The Memorandum of Understanding between GEC, TÜRKONFED & Georgian National Investment Agency was also signed at the opening of the event.

The Forum was organized around 3 panels:

**PANEL I** – Georgia as an attractive investment destination and green investment opportunities in key sectors – was introduced by Ketii Bochorishvili, Director, Georgian National Investment Agency, Lela Putkaradze, Director, Ajara Investment Agency, Levan Mebonia, General Director, Engurhesi Ltd. (Energy).

**PANEL II** – Success Stories in Georgia – was presented by Joseph Nibladze, Marketing Director, Rakia Georgia Free Industrial Zone (FIZ – UAE), Kakha Alania, General Director, Unifarm (Agriculture – Sweden), Archil Jvania, General Director, HIPPO (Organic food – Germany) Representative of BTA Bank (Finance – Kazakhstan), A. Aydin Yuva, Project Manager, Nurol Holding (Construction – Turkey), Kakha Kuchava, Partner, Eristavi Law Group & Iva Davitaia, Partner, Umbrella Management and Consulting (Consulting – Georgian – American Joint Company)

**PANEL III** – The panel on Business Goes Green in the Black Sea and Caspian – the Outlines of “Green Business Support Strategy for Georgia” within the framework of UBCCE GIZ Joint Project was moderated by Astrid Denker, General Strategy Coordinator, UBCCE – GIZ Joint Green Business Support Project Zaal Lomtadze, Advisor to the Minister, Ministry of Environment of Georgia Nato Kirvalidze, Executive Director, Environmental Information and Sustainable Development Centre (RIO).

The Forum was finalised by B2B meetings.



## **EU-Georgia Human Rights Dialogue was held in Brussels**

On 20 June 2011, the European Union and Georgia held the fourth round of human rights dialogue in Brussels. As of today, the European Union is engaged in dedicated human rights discussions with close to 40 countries around the world.

The dialogue at expert level was held in a friendly, open and constructive atmosphere, with an exchange on a wide range of issues of mutual interest and concern, as well as discussions on possibilities for concrete cooperation in the field of human rights.

The Georgian delegation was headed by Mr. Sergi Kapanadze, the Deputy Minister of Foreign Affairs of Georgia. The EU Delegation was headed by Ms. Riina Kionka, Head of the Human Rights Policy Guidelines Division at the European External Action Service.

The dialogue allowed for an exchange of views on the human rights situation both in Georgia and in the EU. In particular, the talks focused on: the national framework for the protection of human rights, the reform of the judiciary, elections and electoral framework, freedom of expression and information, freedom of assembly and association, including the functioning of civil society; rights of minorities, rights of internally displaced persons and the human rights situation in Abkhazia, Georgia and Tskhinvali region/South Ossetia, Georgia. The EU and Georgia also discussed human rights cooperation within international organisations, in particular at the UN, the OSCE and the Council of Europe. The EU and Georgia agreed to hold a EU-Georgia civil society seminar before the next round of the human rights dialogue.



Pursuant to the EU's practice of incorporating the voice of society into its meetings on human rights with third countries, the EU met with representatives of Georgian NGOs and international NGOs prior to the human rights dialogue.

## **The President of Georgia, Mikheil Saakashvili visited Brussels**

On June 23, 2011 upon the invitation of the President of the European People's Party, President of Georgia, Mikheil Saakashvili attended the conference of the People's Party of Europe and held a number of meetings with the EU officials in Brussels. The convention of the European People's Party is held annually ahead of the EU Summit. The convention was attended by the president of the European Commission and the European Parliament, leaders of the EU countries and oppositional politicians.

Before starting the conference the president met with Vilfred Marntenss, the President of European People's Party. During the meeting President Saakashvili and EU politician discussed support to Georgia's European integration, security issues in the region, as well as reforms implemented in Georgia. Sides discussed deepening of the cooperation within the Eastern Partnership. At the end of the meeting, Mikheil Saakashvili officially invited Vilfred Marntenss to Georgia.



After the conference, Saakashvili met with the Prime Minister of Poland Donald Tucks. Sides shared their opinions regarding the Eastern Partnerships and stressed that Poland would support Georgia's European integration during its EU Presidency.

Georgian President Mikheil Saakashvili also met with Štefan Füle, Commissioner responsible for enlargement and European neighborhood policy. Parties to the meeting discussed Georgia-EU cooperation. Launching of negotiations over free trade was also considered at the meeting. The Georgian side's desire is to launch the negotiations by the end of the year. Štefan Füle supported the idea. The sides also talked about prospects for launching negotiations over visa-free regime between Georgia and the EU.

## **Preliminary Foreign Direct Investment Figure of Q1'11 by Geostat**

National Statistics Office of Georgia – GeoStat released the preliminary Q1 FDI figure for 2011.

FDI inflows for Q1'11 totaled US\$173.7 mln, up 129% y-o-y. The industry sector attracted the biggest share of Q1'11 FDI – 47.7%, followed by financial intermediation – 22.9% and energy sector – 11.5%. Cyprus was the largest investor in the Q1'11, followed by the United Kingdom.

Georgian PM Nika Gilauri said: *"We are pleased with the higher than expected FDI figures for Q1 and foresee that the trend will continue."*





***EUGBC Board Member, Geir Westgaard and Secretary General, Konstantin Zaldastanishvili will participate in the 8<sup>th</sup> International Conference: Georgia's European Way***

Since 2007 the Office of the State Minister for European and Euro-Atlantic Integration organizes regular semi-annual conferences in order to demonstrate progress, achievements and challenges of the European Neighbourhood Policy Action Plan (ENP AP) implementation process in Georgia, which enable both the Government and its European partners to have an active dialogue on all the ENP AP issues.

The 8<sup>th</sup> international conference entitled *Georgia's European Way* will be held in Batumi on July 21-23, 2011.

The high ranking officials of the executive, legislative and judicial branches of the authority, representatives of the EU Member States and European Commission, the diplomatic corps accredited in Georgia, NGOs, academics and members of the media will take part in the conference.

EUGBC will be represented at the Conference by the Member of the Board, STATOIL Vice-President, Geir Westgaard and Secretary General, Konstantin Zaldastanishvili.

***Invitation to submit expressions of interest to participate in the third meeting of the Eastern Partnership Civil Society Forum***



The Eastern Partnership Summit in Prague on 7 May 2009 confirmed the European Commission proposal from December 2008 to establish the Eastern Partnership Civil Society Forum (EaP CSF) "to promote contacts among Civil Society Organisations (CSOs) and facilitate their dialogue with public authorities" in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, and Ukraine. The summit invited the European Commission "to develop and propose modalities for the establishment of a Civil Society Forum of the Eastern Partnership".

In the course of 2009, the European Commission consulted the modalities of the Forum with all interested stakeholders. Consulted parties favoured a comprehensive approach allowing for the participation of a wide range of CSOs: trade unions, employers' organisations, professional associations, NGOs, think-tanks, non-profit foundations, national and international CSOs/networks and other relevant Civil Society actors from EaP Partner Countries, but also from EU Member States and international organisations/networks.

The first EaP CSF took place in Brussels on 16-17 November 2009 and gathered more than 200 CSOs. During the Forum, participants elected the CSF Steering Committee and tasked it with the responsibility of developing a procedure for selection of the participants for the next Forum. The CSF Steering Committee elaborated the procedure that can be found below. The procedure was applied in the process of selection of the participants to the second meeting of the EaP CSF, which was held in Berlin on 18-19 November 2010. Although the Forum was organised by the European Commission and co-hosted by the Ministry of Foreign Affairs of Germany, all decisions regarding the aims of the meeting and its agenda were taken on the basis of proposals worked out by the CSF Steering Committee. EU-Georgia Business Council (EUGBC) was represented at the second meeting of the EaP CSF in Berlin by its Secretary General, Konstantin Zaldastanishvili.

The third meeting of the EaP CSF will be held in Poznan, Poland on 28-30 November 2011.

The Steering Committee of the EaP Civil Society Forum, in cooperation with the European Commission/European External Action Service, is now inviting all interested parties to submit expressions of interest to participate in the third meeting of the Eastern Partnership Civil Society Forum. The submission of expressions of interest is a necessary step in the selection process to participate in the EaP CSF meeting on 28-30 November 2011.

The extended format (from 1,5 up to three days) of the EaP CSF has been made possible thanks to the European Commission/European External Action Service and the generous support of Poland's Ministry of Foreign Affairs.

Complementing the work already done by the Forum in 2009 and 2010, EaP CSF will be mainly focusing working groups in 2011 to elaborate common programmes and activities.

The application form prepared by the CSF Steering Committee could be found since May 23, 2011 on the official CSF website - [www.eap-csf.eu](http://www.eap-csf.eu)

Submissions of expressions of interest had to be completed in English or Russian and sent before 26 June 2011 to the contact e-mail address: [applications@eap-csf.eu](mailto:applications@eap-csf.eu)

EUGBC expressed interest to Participate in the third meeting of the EaP CSF in Poznan, on 28-30 November 2011 and submitted the respective application form timely.

For more information please visit the Eastern Partnership Civil Society Forum website: <http://www.eap-csf.eu/en/news-events/news/invitation-to-submit-expressions-of-interest/>

## **ICC Georgia Seminar on Documentary Credits and ICC Rules to be held in September**

ICC Georgia is organizing two-day seminar on Documentary Credits and ICC governing Rules – UCP 600 and transport, insurance documents and their role in international payment, trade finance fraud – including false B/LS. The seminar will be held in the **end of September** and will be conducted by Mr. Pavel Andrle from ICC headquarters Banking Commission.

First Day: Practical seminar on Documentary Credits and UCP 600 – the revised ICC publication that provides rules for documentary credits operations. Workshop will focus on practical usage of these rules in most common situations.

Second Day: Practical seminar on transport documents and their role in trade finance with special focus on the prevention of trade finance fraud. Transport and insurance documents, their role in international payment, trade finance fraud – including false B/LS.

This Seminar is a must for:

- bankers working in trade finance, particularly in documentary credits and export finance departments;
- exporters, importers and traders;
- carriers, freight forwarders, insurance companies;
- specialists in trade finance;
- front office bank specialists, relationship managers;
- lawyers, advocates, academics;

Material relevant to the course will be distributed and a certificate of attendance will be delivered to all who completed the course.

Lunch and coffee breaks will be provided during the Seminar.

Seminar Language – English.

## About the Trainer



Mr. Pavel Andrlé is a Secretary to the Banking Commission of ICC Czech Republic which he regularly represents at the ICC Banking Commission meetings abroad. He chaired the working groups of ICC CR which revised translations of UCP 500, UCP 600, eUCP, ISP98, URDG 758 and other Banking Commission documents.

He has been deeply involved in the revision of UCP as a member of UCP 600 Consulting group being formed by over forty experts from all over the world. He has been also closely involved in revision of URDG 758. He chaired the working group of ICC Czech Republic which translated the URDG 758 rules into Czech language.

Mr. Pavel Andrlé is an international trade finance consultant and a lecturer. He has worked for a number of leading local and international banks in various positions. He has frequently lectured Documentary Credits, Bank Guarantees & Trade Finance for Bankovní Institut Vysoká, Institute of Foreign Trade Transport & Forwarding, ICC CR and Economic Chamber of Commerce of Czech Republic.

In case of questions or interest please contact ICC Georgia Office.

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## **EUGBC Members' News**

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### ***Alcatel-Lucent Trade International AG Joined EU-Georgia Business Council***

Alcatel-Lucent Trade International AG joined EUGBC as Corporate B Member in June 2011.



The long-trusted partner of service providers, enterprises, strategic industries and governments around the world, Alcatel-Lucent is a leader in mobile, fixed, IP and Optics technologies, and a pioneer in applications and services. Alcatel-Lucent includes Bell Labs, one of the world's foremost centres of research and innovation in communications technology.

With operations in more than 130 countries and one of the most experienced global services organizations in the industry, Alcatel-Lucent is a local partner with global reach.

The Company achieved revenues of Euro 16 billion in 2010 and is incorporated in France and headquartered in Paris.

For more information consult the following website: [www.alcatel-lucent.com](http://www.alcatel-lucent.com).

## **Poti Sea Port Transaction Successfully Completed**

The transaction between RAKIA and APM Terminals has been successfully completed and APM Terminals enter new phase in Poti Sea Port (PSP).

APM Terminals is now the majority shareholder in the port and they plan further development of the port so it can reach its full potential as the main gateway to South Caucasus and Central Asia.

APM Terminals offers the global shipping community a geographically balanced, integrated Global Port, Terminal and Inland Services Network which includes interests in 61 ports and terminals in 33 countries with 16 new terminal development or expansion projects underway, along with 132 Inland Services locations in 48 countries.



Staffed by 24,000 professionals across 63 countries and spanning five continents, the company serves every major trade lane with a truly global presence, providing customers with the most advanced terminal technology, equipment and operations in the industry. Originating as Maersk Line's terminal operating arm, APM Terminals was established as an independent division within the A.P. Moller-Maersk Group in 2001.

Mr. Joseph Crowley has been appointed as the new managing director in the port. Mr. Crowley is a US citizen who has 20 years of logistics and shipping experience in the region. With his background Mr. Crowley is ideally suited to lead PSP, with a focus on the needs of the region's logistics community.

*"I would like to thank your government for your warm reception in Georgia. We appreciate the openness with which we were welcomed and the swiftness with which your team negotiated"* commented Mr. Hams-Ole Madsen, Vice-President of APM Terminals.

*"We are pleased to see that the community of the international actors and investors in Georgia is enriched by a globally reputable name as APM Terminals is, which is yet another manifestation of welcoming business climate and positive economic prospects of Georgia"* commented Nika Gilauri, Prime-Minister of Georgia.

## **JSC Bank of Georgia signs merchant acquiring agreement with Diners Club International**



JSC Bank of Georgia (LSE: BGEO) (the "Bank"), Georgia's leading universal bank and Diners Club International® Ltd., announced the signing of a merchant and ATM acquiring agreement. Under the terms of the agreement, Bank of Georgia is an exclusive partner for Diners Club International acquiring business in Georgia, and an ATM processor for Diners Club International and Discover card transactions.

The partnership between Bank of Georgia and Diners Club International will broaden the acceptance of Diners Club® and Discover cards, and cardmembers will have the ability to use their cards in the Georgian market. As for the merchants in Georgia, additional acceptance of Diners Club and Discover cards will provide them with exciting new opportunities.



Bank of Georgia, the leading Georgian bank will offer the local merchants a wide range of services, including signing new merchants to accept Diners Club and Discover cards, managing merchant relationships and processing the merchant transactions.

“Through the exclusive agreement with Diners Club International, Bank of Georgia will be able to give local merchants the opportunity to serve highly valuable customers by allowing clients to utilize one of the world’s mostly recognized and privileged payment cards. Bank of Georgia is the only bank in the country offering four different payment systems that are Visa, MasterCard, AmEx and now Diners Club. Diners Club members will also enjoy the possibility to use the Cards at 405 Bank of Georgia ATMs, the largest ATM footprint in Georgia,” commented Irakli Gilauri, Chief Executive Officer.

### **About Diners Club International**

*Diners Club International is owned by Discover Financial Services (NYSE: DFS), a direct banking and payment services company with one of the most recognized brands in U.S. financial services. Established in 1950, Diners Club International became the first multi-purpose charge card in the world, launching a financial revolution in how consumers and companies pay for products and services. Today, Diners Club is a globally recognized brand serving the payment needs of select and affluent consumers, offering access to more than 350 airport lounges worldwide, and providing corporations and small business owners with a complete array of expense management solutions. With acceptance in more than 185 countries and territories, millions of merchant locations and access to over 750,000 cash access locations and ATMs, Diners Club is uniquely qualified to serve its cardmembers all over the world. For more information, visit [www.dinersclub.com](http://www.dinersclub.com).*

### **About Discover**

*Discover Financial Services (NYSE: DFS) is a direct banking and payment services company with one of the most recognized brands in U.S. financial services. Since its inception in 1986, the company has become one of the largest card issuers in the United States. The company operates the Discover card, America's cash rewards pioneer, and offers personal and student loans, online savings accounts, certificates of deposit and money market accounts through its Discover Bank subsidiary. Its payment businesses consist of Discover Network, with millions of merchant and cash access locations; PULSE, one of the nation's leading ATM/debit networks; and Diners Club International, a global payments network with acceptance in more than 185 countries and territories. For more information, visit [www.discoverfinancial.com](http://www.discoverfinancial.com).*

### **JSC Bank of Georgia receives award for Outstanding Marketing from American Express**

JSC Bank of Georgia (LSE: BGEO GSE: GEB), Georgia’s leading universal bank announced today that it has been named a winner of an American Express Global Network Services (GNS) Marketing Award in the category of Outstanding Loyalty and Engagement Program for its Membership Rewards® Campaign. The category recognizes programs that have been responsible for building rewarding customer relationships, changing customer behavior, driving spend and improving retention rates.

The Bank also received an honorable mention in the category of Outstanding New Card Launch for the launch of the American Express® Blue Card. The Outstanding New Card Launch category recognizes new products that offer a compelling value proposition, support the premium positioning of the American Express brand and incorporate a highly effective distribution strategy, along with delivering superior benefits and rewards to customers.

The American Express GNS Marketing Awards are part of the American Express GNS Partner Awards Program that is designed to recognize the outstanding achievements of GNS partners in a number of categories. Every year winners and honorable mentions are selected from entries received from the 129 financial institutions across 131 countries comprising the GNS partnership network.

"I am pleased that Bank of Georgia was selected from the long list of contenders to receive the American Express GNS Marketing Award in recognition of the Bank's accomplishments in providing unique payment card products and rewarding experiences to its clients" commented Irakli Gilauri, Chief Executive Officer.



### **Evening of tasting the finest wines from the country of Georgia - the Cradle of Wine Making - in NYC**

On Thursday, June 2nd, AmCham hosted the First Official Tasting of the finest Georgian wines in New York City at the Baryshnikov Arts Center.

Same evening. American Friends of Georgia, in collaboration with CORUS Imports and the Georgian Wine House, also hosted a Georgian wine reception. The two events were attended by over 250 guests, including Misha Baryshnikov himself.

The guests had a rare opportunity to taste and learn about Georgian wines that were shipped directly from Georgia. The wines of the following companies were represented at the tasting: JSC Telavi Wine Cellar, Teliani Valley, Pheasant's Tears, LTD WineMan, Tbilvino, Chateau Mukhrani, Eniseli Wines, Dozortsev and Sons Enterprises, Bagrationi 1882, Vinoterra, Nata Vachnadze, Kakhuri, Dugladze Wine Company, Maisuradze Wines, Tiflis Wine Cellar, JSC Sarajishvili, Kakhetian Traditional Winemaking.

From May 30 to June 8 2011, a 15 member delegation of Georgian wine company owners and heads of prominent Georgian Tourism companies visited the US as part of a wine tourism development project. The project was initiated by AmCham Georgia's Tourism Committee, chaired by Betsy Haskell, and the Georgian Wine Association, headed by Tina Kezeli and organized by the U.S. Department of Commerce and USAID's Economic Prosperity Initiative.

For more information please contact the AmCham office.

### **Company "BERTA" has introduced a new brand "Ovacio"**

Along with homecare products and detergents, Company "BERTA" has recently presented to its customers a new brand "OVACIO". This is a cosmetic bar soap with four directions: grape therapy, green tea therapy, honey therapy and lavender therapy.



"This is a product manufactured on the basis of naturally active ingredients containing no cancerogenic or any other substances which may be harmful for health", - says Mr. Hikmet Guleryuz, Head of Technological Department of "BERTA".

The first Georgian soap is already available in all stores and markets, and in the nearest future BERTA plans to produce liquid soap as well. Georgian-Swiss Company BERTA is the largest company in the whole South Caucasus region manufacturing household and personal care products.

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## EUGBC Members

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