



# Newsletter

**April to June 2012**

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## Speech of Stefan Füle, European Commissioner for Enlargement and European Neighbourhood Policy at the EuroNest Parliamentary Assembly

**3 April 2012**

The second session of the Euronest Parliamentary Assembly was opened in Baku on 3<sup>rd</sup> of April 2012. Meetings of standing committees, working group on Belarus, as well as a plenary meeting were held at the session. The session discussed documents together with additions and amendments to them, prepared by the committees and [adopted as a resolution](#).

Baku session was attended by the EU delegation consisting of 60 people, national delegations of Ukraine, Georgia, Moldova and Armenia, consisting of ten people each.

Commissioner for Enlargement and European Neighbourhood Policy, Stefan Füle addressed the session of the Euronest Parliamentary Assembly.

"I am happy to be here, in Baku, 21 years after Azerbaijan, as well as Armenia, Belarus, Georgia, the Republic of Moldova and Ukraine regained their independence.

I am thankful for the invitation and I want to express my gratitude to Azerbaijan's Milli Mejlis for hosting our meeting. I am also pleased to see here Representatives of Armenia's parliament. The resolution of the Nagorno-Karabakh conflict and reconciliation between the two nations is not easy. But I believe that dialogue between both parliaments may help overcome this sore issue. In this context, let me stress the importance of ensuring that all opportunities are used to establish and strengthen contacts across boundaries and within the region as whole. For instance, culture that per definition has no boundaries provides such an opportunity. I sincerely regret that Belarus' parliamentarians are not with us today. Yet, I think that they will one day join your Assembly.

Let me assure you that we are strengthening our ties with Belarus' civil society and we have reiterated our commitment to the policy of critical engagement with authorities.

I am guided by the long-term vision of a democratic and prosperous Belarus, free of political prisoners and strongly anchored in a common space of European values. Let me here stress the following: there is no place for prisoners of conscience or for political prisoners in the Eastern Partnership region. And let us resist the temptation to turn the debate about this important issue into a discussion about who is a political prisoner and who is not. History has given us many lessons here.

The Euronest Parliamentary Assembly is an important element of the Eastern Partnership. There are high expectations regarding your contribution to the implementation of the Eastern Partnership. You represent people and you hold your governments to account. I believe that you can foster democratic values on which our partnership is founded and urge your governments to undertake painful, although necessary reforms.

**About values.** By making the values of liberty, democracy, human rights and fundamental freedoms and the rule of law a central part of our partnership we wish to extend the area of stability and security to the Eastern part of the continent.

To make this happen, we have strengthened the Eastern Partnership following the review of our policy towards neighbours. As a result, we have now an instrument that allows us to make our support better tailored to the ambitions, needs and aspirations of the partners not only for those who have EU aspirations but also for those who want a strategic partnership with the EU.

We plan to increase our assistance to the partners based on the so called "more for more" principle: the more reforms the partners do, the more support they get from us. Let me make it clear once again, "the more for more" is not for Southern neighbours only. It does not reflect the Arab Spring only. It applies to the Eastern partners as well.

**About reforms.** We want to bring Eastern partners as close to the EU as possible. We want to assist our partners in completing political and economic reforms and adopting the European model of development that will guarantee long term stability.

Political stability requires good governance and the rule of law. Moreover, any political regime must enjoy the support of its people to sustain itself over the longer term.

There is no better way of achieving this support than free and fair elections. There is no better way of encouraging societies to freely develop than to promote respect for human rights and fundamental freedoms, including freedom of the media and freedom of assembly.

Ladies and Gentlemen,

Economic stability needs sustainable and inclusive growth. That is why we encourage partners to develop small and medium size enterprises, to fight against corruption and to further regular approximation to EU standards in order to attract investments and make business in their countries more transparent.

The leading role in ensuring that values are reflected not only in political declarations but also on the ground falls on governments. The same applies to the implementation of reforms. However, it does not mean that other actors have no significant role to play. On the contrary, parliaments are an indispensable element of this endeavour.

It is up to parliaments to keep governments accountable and to ensure that the will and expectations of the people are taken on board when political decisions are being made. Parliaments are well placed to advocate for reforms, to promote democratic values and to defend citizens' rights.

So the Euronest is much more than just the latest institution established under the Eastern Partnership. It is a tool to advance democratisation and to exchange best practice among parliamentarians from partner countries and EU Member States.

Importantly, the strength of the Euronest depends on the strength of its elements: national parliaments and the European Parliament. That is why the issue of democratic legitimisation is of paramount importance. Free and fair elections in line with international standards are a condition sine qua non of increased EU political and financial support.

That is why the forthcoming elections in four partner countries will be under the close scrutiny of the international community. I believe that these elections will prove that Eastern partners are part of the European family also in terms of conducting free and fair elections.

It is important that the electoral process is fair and provides equal opportunities for all political forces standing for elections. Allowing the opposition to conduct electoral campaigns without any interference, ensuring equal access to media, inviting international observers as early as possible– all these elements count.

It is equally essential to ensure that our societies can freely grow and take part in the discussion about the main developments in their countries.

Our goal is simple; we want to create the conditions for a stronger dialogue between civil society and the authorities. This is why we have established an Eastern Partnership Civil Society Forum. I am glad to see members of the Forum in the room.

We should harness the courage and determination of civil society representatives to advance the implementation of our goals. We must not ignore their point of view. The values of democracy, human rights and fundamental freedoms to which we have subscribed, oblige us to foster the development of civil society.

We will continue to facilitate the regular structured dialogue between civil society and governments that was launched in September 2011. I would also like to encourage you to strengthen your ties with the Civil Society Forum and its national platforms. I believe that both institutions, the Euronest and the Forum can jointly foster democracy and promote reforms in Eastern European countries.

The main challenge that we currently face is to vigorously implement the ambitious agenda set by the Warsaw Summit. To maintain the momentum of the Summit, we intend to establish informal Eastern Partnership Dialogues. Through these Dialogues we would like to strengthen links with partners and when appropriate, to deepen sector cooperation. It will be an instrument of political steering. It will also strengthen sense of ownership of the Eastern Partnership on the side of our partners.

To streamline the implementation of the agreed objectives, we are working on a road map of the Eastern Partnership. The road map will list agreed objectives and actions and indicate EU support, including financial assistance. It will provide us with a means of monitoring of the progress. So, in addition to the instrument of political steering, we will also have a clear and detailed agenda of our cooperation.

Ladies and Gentlemen,

Euronest's contribution is much needed in both aspects of our work: the implementation of agreed objectives and assessing the progress. That is why it is so important that this assembly is efficient and effective. I am pleased that measures have been taken to enable Euronest to conduct vigorous parliamentary debates on the positive Eastern Partnership agenda.

Before I conclude, let me say few words about our host and it does not matter if it is done without the presence of the President. Azerbaijan has come a long way over the last 20 years. It has even come a long way since I last visited Baku in 2010. A model of secularism and tolerance, the country has developed into a strong economy, upgrading its infrastructure and engaging in processes of economic diversification. Beyond those internal transformations, it has also gained clout on the international scene: it seats as a non-permanent member in the UN Security Council. I believe it is not by chance that today Baku hosts the first Euronest Session outside Brussels and will soon host the Eurovision song contest. And it is also not by chance that expectation is high to make domestic developments sustainable through the adoption and the implementation of inclusive and full-hearted reforms. And it is also not by chance that there are legitimate aspirations of people of Azerbaijan that their wish to fully benefit from democracy, the rule of law and respect for human rights will be met.

To fully embark on the path towards modern 21st century country, Azerbaijan should unwrap the entire potential of its people.

I wish you a successful session. I wish that the Euronest contributes to the strengthening of the Eastern Partnership as a joint project with joint ownership to the benefit of people of six partners and the European Union. I look forward to the resolutions that you are going to adopt and await our future cooperation.

Thank you."

#### **Background information:**

The EURONEST Parliamentary Assembly is a parliamentary forum to promote political association and further economic integration between the European Union and the Eastern European Partners. Euronest is to contribute to the strengthening, development and visibility of the Eastern Partnership, as the institution responsible for parliamentary consultation, supervision and monitoring.

The Euronest Parliamentary Assembly consists of the European Parliament delegation and the Eastern European Partners' (Armenia, Azerbaijan, Georgia, Moldova and Ukraine) delegations. The EP delegates 60 members, the Eastern Partners 10 each.

Belarus for the time being does not take part in the Assembly's activities, due to political reasons. However, as the two components of the Assembly have agreed, its Members will be welcomed once political requirements will have been fulfilled.

The Euronest Parliamentary Assembly includes the plenary, chaired by two Co-Presidents, the Bureau, four standing committees and two working groups.

Euronest meets once a year, alternately in an Eastern European Partner country and on the premises of the European Parliament in one of its places of work (Brussels, Luxembourg or Strasbourg).

## **The concept of the DCFTA Working Group initiated by EUGBC was presented to the EU member states**

In the light of ongoing negotiations on Deep and Comprehensive Free Trade Area (DCFTA) with Georgia, EUGBC considered it both timely and important to establish a business driven Working Group (WG) to support and further facilitate the EU-Georgia trade relations. Currently, the members of the WG are representatives of Gosselin Moving – Georgia, IDS Borjomi Georgia, JSC Chateau Mukhrani, MagtiCom LTD, AmCham Georgia, Georgian Small and Medium Enterprise Association (GSMEA), DLA piper, JSC Bank Republic/Societe Generale group, Philip Morris Georgia, Gvinadze & Partners LLC. The WG is open to all interested business associations and other stakeholders.



The concept paper of the WG was elaborated in close cooperation with the EU officials and representatives of the Georgian Government, and approved by the EUGBC board. The idea and activities of the WG is supported by the Delegation of the EU in Tbilisi and the European Commission in Brussels.

on 19<sup>th</sup> of April, 2012 EUGBC country representative, Tamar Khuntsaria delivered a presentation on the DCFTA WG at the EU Delegation in Tbilisi to the economic attaches of the EU Member States' Embassies accredited in Georgia. The presentation included the idea, goal, structure and intended activities of the envisioned WG. At the meeting, the idea of the Working Group was supported by the EU Delegation and the Member States Embassies. Moreover, it was suggested that bilateral meetings with the embassies to exchange information on the activities of the WG will also be useful. To follow up the meeting, the EU Delegation forwarded the presentation and the concept paper of the WG to all EU Member States Embassies in Georgia. It was noted that the Delegation will again invite EUGBC to the similar format meeting later in the year to inform on the progress made with respect to the DCFTA WG.



## **Presentation of business environment survey carried out by the International Finance Corporation (IFC)**

Presentation of business environment survey carried out by the International Finance Corporation (IFC), a member of the World Bank Group, was held on 20<sup>th</sup> of April 2012, in Tbilisi. A new survey from IFC finds that the majority of Georgian business people view the country's business environment positively, as measured by their perception of recent legislative reforms.

The survey results are helping the government to identify remaining challenges to improve the investment climate.

The IFC Georgia Tax Simplification Project, surveying more than 1.000 Georgian businesses, finds that 75 percent of enterprises believe that the business environment is fairly or quite attractive. As few as 0,11 percent of respondents mentioned having faced corruption in dealing with government agencies, and only 6 percent of entrepreneurs surveyed have heard about other businesses having encountered corruption.

Thomas Lubeck, IFC Regional Manager for the South Caucasus, said, "This survey sheds light on Georgia's outstanding progress in combating corruption and improving the environment for business. It also highlights areas for improvement in the implementation of regulations. We are committed to working with the Georgian government to continuously improve the environment for private business and help entrepreneurs benefit from recent reforms."

The IFC survey also finds that in 2011 larger firms had better growth results than smaller businesses. More than half of large businesses surveyed increased in 2011 compared to 2010, while only 17 percent of small companies experienced growth and 43 percent declined in the same period. One of the major reasons for the declines is reported to be low market demand. The survey also identifies key problems faced by businesses, including access to finance, penalties, high tax rates, and utility costs.

## **GSMEA presentation on “Effective Institutions for Resolving Tax Disputes - Tax courts and Alternative Ways” and “Tax Evasion and Criminal Liability - Comparative Analysis” was held in Tbilisi**



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GEORGIAN SMALL & MEDIUM ENTERPRISES ASSOCIATION

On 24<sup>th</sup> of April 2012, in the Hotel Radisson Blue Iveria, Georgian Small & Medium Enterprises Association held a presentation of the surveys “Effective Institutions for Resolving Tax Disputes, Tax Courts and Alternative Ways” and “Tax Evasion and Criminal Liability – Comparative Analysis” within the framework of the project “Supporting the Development of Business-friendly Legal Framework in Georgia”.

The event aimed to introduce research results to the general public, to discuss comments and suggestions and to present developed concept to the lawmakers at the end of the project.

The presentation was attended by the representatives from the executive and legislative branches of government, international and nongovernmental organizations. EUGBC Country Representative, Tamar Khuntsaria took part in the event.

The GSMEA project is implemented through support provided by Eurasia Partnership Foundation through the program “Civic Initiative for Independent Judiciary”. The program is funded by the United States Agency for International Development (USAID), through the EWMI.



## **The Second Annual Conference of East Invest was held in Kyiv, Ukraine**

On 25<sup>th</sup>-26<sup>th</sup> of April 2012, the members of the East Alliance - the consortium of 84 partners (of which EUGBC is a member) implementing the East Invest project – met and discussed the first year of activities and plans forward in Kyiv, Ukraine.

The role of business-support organisations in the public-private dialogue and in investment promotion in the six Eastern Partnership countries also was on the agenda. The event was organized back to back with an OECD seminar on SME policy assessment in Eastern Partnership countries during which EUROCHAMBRES presented the results of the Trade Barriers Survey it conducted with small and medium enterprises in the Eastern Partnership countries. EUGBC was represented by its Secretary General Konstantin Zaldastanishvili.

In the scope of the Second Annual Conference of East Invest in Kiev, EUGBC Secretary General, Konstantin Zaldastanishvili participated in the meeting of the partners of Twinning Program with Georgian Chamber of Commerce and Industry (GCCCI), The Hague Chamber of Commerce, Federation of Belgian Chambers of Commerce, and Chamber of Commerce and Industry of Birmingham.

**Background information:**

EUGBC as a European member of the East Invest consortium, in cooperation with the Hague Chamber of Commerce, the Federation of Belgian Chambers of Commerce, Chamber of Commerce and Industry of Birmingham and Georgian Chamber of Commerce and Industry (GCCCI) is actively involved in one of the components of the East Invest - the twinning's program. Twinning program will encourage concrete and sustainable co-operation between the EU and EaP business support organisations (BSOs) by supporting the implementation of joint projects.

**EUGBC Board Members met with the Ambassador Extraordinary and Plenipotentiary of the Republic of Italy to Georgia, Federica Favi**

In the framework of EUGBC dialogue with the EU Member States' Embassies in Georgia, EUGBC Board Members met with the Ambassador Extraordinary and Plenipotentiary of the Republic of Italy to Georgia, Federica Favi on 8<sup>th</sup> of May 2012, at the Ambasciata d'Italia in Tbilisi.

EUGBC Secretary General introduced to the Ambassador EUGBC, its goals and activities. Participants of the meeting discussed cooperation possibilities, reviewing the process of negotiations on Deep and Comprehensive Free Trade Area (DCFTA) between Georgia and the EU as well as business climate in Georgia. EUGBC Board Members informed about their business activities and perspectives on the business climate in Georgia.

The importance of DCFTA Working Group initiated by EUGBC was also subject of the meeting. It was stressed that the recommendations of business community vis-à-vis the negotiation process is crucial to be considered by Georgian authorities and EU officials. Madam Ambassador showed strong interest to the activities of the Working Group and invited EUGBC to share businesses' feedback, particularly with respect to the possible difficulties and pitfalls in the process of the negotiations.

The Ambassador pointed out that Italian businesses have been increasingly interested in Georgia over the past few years, and that Italian companies are content by partnership with Georgian companies. Italian diplomat underlined that Italian airline "Alitalia" will start flights in Georgia as of 2<sup>nd</sup> of July.

The Ambassador emphasized the importance of cooperation with EUGBC on important issues referring to trade development and investment growth in Georgia. It was also noted from both parties that increasing business dialogue and contacts between Italian and Georgian businesses will be extremely productive for both countries. To this end, the Ambassador extended invitation to EUGBC and its member businesses to be actively involved in the forums and economic missions from Italy to Georgia and vice-versa. The parties to the meeting agreed to continue close cooperation.



## **EUGBC organized first meeting of the DCFTA WG in Tbilisi**

The first meeting of the DCFTA Working Group (WG) was held on 10<sup>th</sup> of May, 2012 in Tbilisi. At the meeting, the Secretary General of EUGBC, Konstantin Zaldastanishvili introduced the concept of the WG and spoke about the importance of DCFTA for the growth and development of Georgia's economy and trade with the EU. The Secretary General also stressed the vitality of involving business community in the negotiation process.

EUGBC country representative, Tamar Khuntsaria made a presentation on the goals, envisioned activities and structure of the DCFTA WG. The presentation was followed by the members' discussion of the future plans and activities of the WG. The members stressed that establishment of a business-driven WG was very timely and important to support and further facilitate the EU-Georgia trade relations. It was pointed out that this initiative will provide a good platform to voice business interest vis-à-vis sector specific issue-areas negotiated by the Georgian and European authorities in the scope of the DCFTA.

In order to develop a concrete action plan of the WG, the members recommended the following:

- To review the existing studies and government strategies on the DCFTA;
- To plans WG members' meeting with the DCFTA chief negotiator from the Georgian side, Ms. Tamar Kovziridze and representatives of EU Delegation to Georgia
- To identify sector specific issue-areas being negotiated in the framework of the DCFTA.



## **EIB supports upgrade of road infrastructure in Georgia with EUR 170 million**

The European Investment Bank (EIB) is lending EUR 170 million to the Republic of Georgia to upgrade and rehabilitate the East-West highway, which is a priority transport infrastructure linking Georgia's capital city, Tbilisi, and its Black Sea ports with Turkey and Azerbaijan.

This is the largest EIB loan ever granted to Georgia and the first supporting Georgia's transport sector. The loan will finance the construction of 52 km of new motorway between Samtredia and Grigoleti at the most Western part of the East-West highway, as well as the rehabilitation of 16 km of existing roads leading South from Grigoleti.

EIB Vice-President Wilhelm Molterer stated: *"The East-West highway is a key transport axis in Georgia, which is of great importance not only for Georgia and its neighbouring countries, but also for the EU as a strategic transit route for road transport between Europe and Central Asia. Better transport links are crucial to improving Georgia's economic cooperation with neighbouring countries and its other trading partners, strengthening the competitiveness of the region and increasing transport safety and capacity with positive consequences for the quality of life of the country's citizens".*

This is the seventh EIB loan to Georgia, bringing the EIB lending commitment in the country to EUR 360 million. To date, the EIB has provided funds for the development of Georgia's energy and water infrastructure, including loans to support the construction of high-voltage power transmission lines, the

rehabilitation of the Enguri and Vardnili cascade of hydropower plants and the repair and upgrading of municipal water facilities. The EIB has also provided in Georgia credit lines to partner financial institutions to support indirectly smaller projects usually implemented by small and medium-sized companies.

**Background information:**

The EIB – the European Union’s bank – finances projects in Georgia on the basis of an EU Council and European Parliament mandate for the Eastern Partner Countries (Ukraine, Moldova, Georgia, Armenia, Azerbaijan) and Russia of EUR 3.8 billion for the period 2007-2013. The current mandate provides for the financing of projects that contribute to (1) local private sector development, in particular support for SMEs, (2) development of social and economic infrastructure, and (3) climate change mitigation and adaptation.

The EIB has also set up at its own risk the Eastern Partners Facility (EPF) for an amount of EUR 1.5 billion, with a ceiling of EUR 500 million for loans in Russia. This facility enables the EIB to provide loans to support investment grade projects that sectorwise go beyond the scope of the mandate and helps support EU investment in the region, notably by European corporates.

**The European Commission published *Implementation of the European Neighbourhood Policy in Georgia - Progress in 2011 and recommendations for action***



On 15<sup>th</sup> of May 2012, the European Commission published the document: [Implementation of the European Neighbourhood Policy in Georgia - Progress in 2011 and recommendations for action.](#)

This document reports on the progress made in the implementation of the EU-Georgia ENP Action Plan between 1<sup>st</sup> of January and 31<sup>st</sup> of December 2011. On the basis of this year’s report, the document also provides recommendations to ensure sustained implementation of the ENP Action Plan in 2012.

According to the report, the country has made good progress in reforming the judicial system, constitutional reform, modernizing elections systems, strengthening of women’s rights, in the area of the regional development as well as business and trade. However, concerns remain for failing to secure political and media pluralism. In addition, many areas of social life, such as combating the poverty, increasing the employment, labour rights and freedom of association require greater efforts.

In 2011 the EU and Georgia made progress in deepening and broadening EU-Georgia relations within the Eastern Partnership framework. Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA), as an integral part of the future Association Agreement, were launched in December. Georgia made good progress in implementing the Visa Facilitation and Readmission agreements, which entered into force in March 2011.

## The European Commission started a dialogue on visa liberalization with Georgia

On 4<sup>th</sup> of June 2012, the European Commission announced a start of a dialogue on visa liberalization with Georgia. The aim of the dialogue is to examine all the relevant conditions for visa-free travel to the EU for Georgian citizens. In doing so, the EU is living up to its commitment to closer cooperation and increased mobility in a secure environment with its Eastern neighbors, including Georgia, as asserted in the [Warsaw Declaration of the Eastern Partnership Summit](#) in September 2011.



Following her meeting with Mr. Grigol Vashadze, Georgian Minister of Foreign Affairs, Cecilia Malmström, EU commissioner for Home Affairs, said: "Today we demonstrate once more our longstanding commitment to strengthen the ties between our countries and people. The start of this visa liberalization dialogue indeed marks an important political milestone in the EU-Georgian relations. It recognizes the efforts made by Georgia in the different areas relevant for a future visa-free travel to the EU and constitutes a further incentive for Georgia to pursue those reforms".

All EU citizens are already exempt from visa requirements when entering Georgia. The visa liberalization dialogue which is starting today will allow the EU and the Georgian authorities to examine all the technical preconditions for the establishment of a visa-free regime for Georgian citizens. The visa liberalization dialogue addresses areas directly related to document security, border management, migration, mobility and asylum, as well as other issues such as the fight against corruption and organized crime, protection of human rights, minorities, and anti-discrimination, which are highly relevant to ensure that mobility takes place in a secure and well-managed environment.

The main instrument to conduct the visa liberalization dialogue will be the Visa Liberalization Action Plan (VLAP). The Action Plan will be presented to the Georgian authorities later this year, following discussions in the European Council.

## The EU Delegation to Georgia supports EUGBC project on EU-Georgia trade facilitation

On 11<sup>th</sup> of June 2012, The EU-Georgia Business Council (EUGBC) signed a contract with the Delegation of the European Union to Georgia on the implementation of the EU-Georgia trade facilitation project. In the framework of the project EUGBC will prepare two publications in Georgian language (with English summary) for Georgian exporters on the following subjects: ***"The EU requirements for the production and export of food products of plant origin"*** and ***"The EU requirements on the production and export of alcoholic and non-alcoholic beverages and natural mineral water"***.



These publications focuses on the main aspects of national and international (EU) legal regulation on registration, control systems, safety, labeling, marketing standards, quality and safety hygiene norms, hygiene certification, phytosanitary procedures prior to export, phytosanitary certification, etc.

The main goal of the trade facilitation project, implemented by EUGBC and funded by the European Union, is to raise awareness in the Georgian business sector of internationally recognized trade practices, rules and conditions for access to the EU market. The project is aimed at providing the Georgian business community (mainly, small and medium entrepreneurs) with practical information on EU trade legislation, regulations, procedures, rules and standards. **A seminar will also be organized** to provide interested parties with opportunity to better understand the requirements for trade with EU.



## **The Workshop on Trade Sustainability Impact Assessment (TSIA) in support of negotiations of Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Georgia was held in Tbilisi**

The Workshop on Trade Sustainability Impact Assessment (TSIA) in support of negotiations of Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Georgia was held on 14<sup>th</sup> June 2012 in Tbilisi. EUGBC country representative, Tamar Khuntsaria and several members of EUGBC participated in the workshop.

The overall objective of the TSIA study carried out by Ecorys and CASE is to assess how the trade and trade-related provisions under negotiation of a Deep end Comprehensive Free Trade Area (DCFTA) could affect economic, social and environmental issues. The study is conducted simultaneously for the EU-Georgia DCFTA and for the EU-Republic of Moldova DCFTA and in parallel to the actual DCFTA negotiations. The first negotiation rounds on Deep and Comprehensive Free Trade Areas (DCFTA) between the EU and Georgia took place on 26-30 March 2012. The DCFTA will become part of the Association Agreements, aimed at deepening political association and economic integration between the EU and Georgia. For more information about the study and the methodologies used, please visit: [www.tsia.ecorys.com/georgia](http://www.tsia.ecorys.com/georgia).

For the moment the study has reached the end of Phase 1 - Overall Analysis. In this phase, a scenario analysis with computable general equilibrium (CGE) modeling has been carried out together with additional quantitative and qualitative analysis to assess the impact of the DCFTAs with respect to economic, social, human rights and environmental issues. In addition, a screening and scoping exercise has been conducted in order to identify the main sustainability issues and impacts and the key sectors and horizontal issues of interest for this TSIA, based on the outcomes of our analysis and consultations with stakeholders and civil society.

The results of this phase are presented in the Draft Interim Technical Report that has been published online on the 27th of April 2012 – the report is accessible via the following link: <http://tsia.ecorys.com/images/ac24377%20georgia%20and%20moldova%20report.pdf>

The following Phase 2 - Sectoral Analysis will focus on a number of specific sectors and analyse the impact on these sectors in more detail. The selection of these sectors is based on the results of the overall analysis and the subsequent screening and scoping exercise in phase 1, complemented with

causal chain analysis, literature review, and civil society consultations, including interviews and inputs from sector experts. We would highly welcome your suggestions for the sector selection, with a clear argumentation why the sector merits further analysis. After the sectoral analysis in Phase 2, the study will proceed towards Phase 3 - Policy recommendations and flanking measures.

The engagement of the civil society is important for this study and feedback and comments regarding the study through the website or by using the Feedback Form are welcome.

## Annual Members' Meeting of EUGBC held in Tbilisi

On 26<sup>th</sup> of June 2012, the Annual Members' Meeting was held at EUGBC member TBC Bank in Tbilisi. The meeting was opened and chaired by Badri Japaridze, Vice Chairman of the EUGBC Board.

At the meeting, EUGBC members discussed Report of the Board of Directors for the period of 2011-2012. Members also approved amendments to the Articles of Association following to what the possibility of inviting EUGBC Honorary Members in the Board of Directors has been introduced. In addition, Members approved the Annual accounts of EUGBC as of 31 December 2011 and the budget of EUGBC for financial year 2012. New Board of Directors, including Chairman and Vice Chairman of the Board was also elected.



EUGBC members thanked previous Chairman of the Board, **Howard Chase** for his tremendous contribution and commitment to the Council since its foundation and expressed hope for continuous cooperation.

## Emmanuel Haton, Director of European Government Affairs at BP was elected as a new Chairman of EUGBC Board



At the Annual Members' Meeting held on 26<sup>th</sup> of June 2012 in Tbilisi, EUGBC members elected a new chairman of the Board, **Emmanuel Haton**, Director of European Government Affairs at BP.

Emmanuel Haton has spent his entire career in the BP group, first in France, and later in several regions in the world. He has held a variety of posts starting in BP France in oil supply & logistics and then as a product trader.

In 1990 he took the responsibility of Air BP Africa followed by Air BP business development in Australia, the South West Pacific and Africa.

In 1995 Emmanuel Haton was assigned to BP Algeria as Director Government and Public Affairs. In 1999 he went back to the BP head office in London, as head of Environmental Science and Technology. In 2002, he was posted to BP Angola in charge of Government and Public Affairs. He was appointed in Brussels as Deputy Director European Government Affairs in 2004 and took his existing role as Director European Government Affairs in June 2012. Emmanuel Haton is a French national. He is graduated in Mathematics he also hold a Master Degree in Information Technology and an MBA from the HEC business school in France. He is married and has two children.

## EU-Georgia Business Council elected a new Board

On 26<sup>th</sup> of June 2012, EUGBC elected a new Board at the Annual Members' Meeting held in Tbilisi. EUGBC members elected following Directors of the EU-Georgia Business Council (members of EUGBC Board):



**Emmanuel Haton**, Director of European Government Affairs at BP (Chairman of the EUGBC Board).

Emmanuel Haton has spent his entire career in the BP group, first in France, and later in several regions in the world. He was appointed in Brussels as Deputy Director European Government Affairs in 2004 and took his existing role as Director European Government Affairs in June 2012.

[Please see Emmanuel Haton's complete biography.](#)



**Badri Japaridze**, Member of the Board of Directors of IDS Borjomi Georgia (Vice Chairman of the EUGBC Board).

Mr. Japaridze is also "TBC-Group" Vice President, "TBC-Bank" Vice-Chairman of Supervisory Board, American Chamber of Commerce in Georgia Member of the Board of Directors, Georgian Reconstruction and Development Company (GRDC) Member of the Board, "TBC-TV" Chairman of the Supervisory Board, Geoplant, Member of the Supervisory Board, TBC Kredit Chairman of the Supervisory Board, Bank Constanta Member of the Supervisory Board.

[Please see Badri Japaridze's complete biography.](#)



**Geir Westgaard**, Vice President, Corporate Communications Political and Public Affairs, Statoil (Director of the EUGBC Board).

Prior to joining Statoil, Mr. Westgaard served at the Norwegian Ministry of Foreign Affairs Oslo, Norway as Special advisor Charged with formulating and executing the Norwegian Government's strategy for the High North. Previously, he also held position of Vice President for Country Analysis and Social Responsibility (2000-2003), Vice President International Relations Corporate Strategy in Statoil (1998-2000) and Vice-president, EU Affairs, Statoil ASA (2008-2012).

[Please see Geir Westgaard's complete biography.](#)



**George Chirakadze**, President of United Global Technologies (UGT), (Director of the EUGBC Board).

George Chirakadze is also President of the Business Association of Georgia (BAG). He has over 12 years of experience of running different commercial and nonprofit organizations as an Executive Manager. George previously held the position of President in Young Scientists International Association (YSIA) and Vice-President in Young Scientists Club of Georgia (YSC).

[Please see George Chirakadze's complete biography.](#)



**Nick Gvinadze**, Managing Partner of Gvinadze & Partners LLC (Director of the EUGBC Board).

With over a decade in senior management positions in private law practice, Mr. Gvinadze has accumulated abundant experience in the whole spectrum of both Georgian and cross-border commercial law with particular focus on energy, infrastructure, tax and dispute resolution. Nick has advised on a number of key foreign investment projects in Georgia, including major oil and gas transportation projects in the Caspian region.

[Please see Nick Gvinadze's complete biography.](#)



**David Lee**, President of Magticom (Director of the EUGBC Board).

David Lee is also Chairman emeritus of the American Chamber of Commerce in Georgia, as well as Chairman of the Eurasia Partnership Foundation. His previous positions include Deputy General Director of Comstar in Moscow; Vice President Telephony, MetroMedia. Regional Director for the CIS based in Moscow; Regional Director South East Asia Cable & Wireless. Regional Director based in Singapore; CEO Sakhalin Mobile and Regional Director Cable & Wireless Far East Russia. Based in Sakhalin; etc.

[Please see David Lee's complete biography.](#)



**John Braeckveldt**, Director of Gosselin Georgia (Director of the EUGBC Board).

In his previous 3 years John was member of the board of Directors of the American Chamber of Commerce (AmCham) in Georgia and the chairman of the trade and transportation committee within AMCHAM Georgia.

John is director of Gosselin Georgia, a small business in Georgia, which is handling international removals in the Caucasus region. Next to this he also is owner of two small trade companies DBR-group and Bj-Ltd.

John is living in Georgia for the last 8 years and speaks next to his mother tongue Dutch also English, French, German and Georgian.

[Please see John Braeckveldt's complete biography.](#)



**David Loladze**, Financial Director at Mtkvari Energy Ltd (Director of the EUGBC Board).

David Loladze is the knowledgeable and experienced manager with a solid background in finance, accounting and tax management developed through working in energy, communication and airline businesses, including the UK's flagship carrier.

[Please see David Loladze's complete biography.](#)

## **After several years of involvement, Howard Chase left the position of Chairman of the EUGBC Board and was invited to become an Honorary Member of the Board**

Howard Chase, Director of European Government Affairs at BP Europe, has recently left BP and moved to a new position as Director of Government Affairs for DOW Europe. On taking up his new role, Howard also offered his resignation as Chairman of the EUGBC Board but indicated his willingness to remain associated with and to continue cooperation with the Council. **In recognition the newly elected EUGBC Board took a decision to invite Howard Chase to become an Honorary Member of the EUGBC Board.**



On behalf of EUGBC Board and management, Vice Chairman of EUGBC Board, Badri Japaridze and Secretary General, Konstantin Zaldastanishvili, sent a letter to Mr. Chase congratulating him on his new position and expressing sincere gratitude for his tremendous support to the Council from the beginning of its foundation.

“It has been a privilege and a remarkable experience to work with you on promoting EU-Georgia Relations. Undeniably, the Council has been fortunate to have you as a Chairman. Your professionalism, commitment and interest in Georgia as well as in the entire region have always been felt and extremely valued by all of us. We thank you so very much for all your support and contribution to EUGBC. This helped to sustain our important activities and enhanced the Council’s image as a fast developing and respected association. Certainly, we remain hopeful that you will stay associated with EUGBC and our cooperation will continue.” – stated in the letter.

## **New Chairman of the EUGBC Board, Emmanuel Haton and EUGBC Secretary General, Konstantin Zaldastanishvili met with the Head of EU Delegation to Georgia, Ambassador Phillip Dimitrov and Head of Division for Eastern Partnership countries at the European External Action Service, John Kjaer**

On 26<sup>th</sup> of June 2012, EUGBC Core Member, Emmanuel Haton and EUGBC Secretary General, Konstantin Zaldastanishvili held a meeting with the Head of EU Delegation to Georgia, Ambassador Phillip Dimitrov and Head of Division for Eastern Partnership countries at the European External Action Service, John Kjaer. Meeting took place at the EU Delegation to Georgia.

Konstantin Zaldastanishvili introduced to the EU officials Emmanuel Haton, who has recently taken up a position of Director of European Government Affairs at BP in Brussels and also committed himself to EUGBC to be elected as Chairman of the Board. The Secretary General also informed the meeting participants about EUGBC activities facilitating development of trade and economic relations between the EU and Georgia.





The parties to the meeting discussed the current state of the EU-Georgia relations. It was stressed that the negotiations on Association Agreement (AA) is going rather smoothly. The government of Georgia in dialogue with the EU counterparts is proceeding with necessary regulatory reforms. In parallel of the AA, negotiations are also going on concluding the Deep and Comprehensive Free Trade Area (DCFTA) with Georgia. It was underlined that the latter is a particularly challenging process considering the scale of the legislative and institutional reforms in the country and a high compliance cost associated with this process.



However, the parties to the meeting highlighted that DCFTA is absolutely essential in order to diversify export markets for Georgian products, particularly in the background of Russian embargo. If fully implemented this agreement widely opens up the EU market – one of the large, stable and predictable market to the Georgian exports. In perspective, this will inevitably have a positive impact on the development of local businesses and respectively on the Georgia's economic performance overall.

The Secretary General informed the EU representatives that in order to contribute to the important process of DCFTA negotiations and provide business input into the political dialogue, EUGBC has initiated a business driven Working Group. Besides, the Council actively works on several projects aiming at reaching out and informing Georgian entrepreneurs and potential exporters on the trade standards and requirements of the EU.

## **The Chairman of EUGBC Board and EUGBC Secretary General met with the Deputy Head of Mission of the British Embassy in Georgia**



On 27<sup>th</sup> of June 2012, the Chairman of EUGBC Board and EUGBC Secretary General met with the Deputy Head of Mission of the British Embassy in Georgia, Mr. Douglas McMillan. The meeting was hosted by the British Embassy in Tbilisi.

At the meeting, Secretary General introduced to the Deputy Ambassador Mr. Emmanuel Haton, new Chairman of EUGBC Board. He also briefed Mr. McMillan on the activities of EUGBC with respect to promoting trade and economic relations between EU and Georgia. Secretary General stressed that developing bilateral relations with EU member states is very important. Therefore, for EUGBC it is crucial to maintain close contacts with the British Embassy in Tbilisi and exchange information on a regular basis.

In addition, Mr. Zaldastanishvili informed the Deputy Ambassador on EUGBC initiative of setting up a Working Group on DCFTA to ensure business representation in the negotiation process.

Douglas McMillan underlined the importance of EUGBC operation in Europe and in Georgia. He also stressed that creation of a business driven DCFTA Working Group is vital for voicing businesses' interests and opinions in the negotiation process with the EU on the future free trade area. Deputy Ambassador thereby underlined importance of DCFTA for Georgia, its potential to impact positive developments in various sectors of economy, namely agriculture, which is of a high importance for the growth of Georgia's export potential.

The parties to the meeting agreed on a continuous cooperation.

## The Chairman of EUGBC Board and EUGBC Secretary General met with the Commercial Director of Georgian Oil and Gas Corporation (GOGC)



საქართველოს ნავთობისა და გაზის კორპორაცია  
**Georgian Oil & Gas Corporation**

On 27<sup>th</sup> of June, 2012, EUGBC Chairman Emmanuel Haton and EUGBC Secretary General, Konstantin Zaldastanishvili held a meeting with Levan Gogodze, Commercial Director of state owned Georgian Oil and Gas Corporation (GOGC). The meeting was hosted in the GOGC headquarters in Tbilisi.

The meeting was interactive and has had introductory character. Mr. Haton was interested about current activities of GOGC and future prospects of the energy sector in Georgia. On his side, Mr. Gogodze briefed EUGBC representatives on Georgia's stake in the current oil and gas infrastructure projects. Georgia's crucial role in the energy transit, via existed oil and gas pipelines (from Azerbaijan to Turkey and from Russia to Armenia crossing Georgia) also next planned steps vis-a-vis Shah-Deniz Stage II, was recognized at the meeting.

Mr. Gogodze also told EUGBC representatives on Georgia's increasing potential of hydro power generation that electricity supplies toward Turkey, Armenia, Azerbaijan and Russia gained importance in the scope of regional energy security. These developments have positioned Georgia as a key energy transit and exporter country in the region.

Azerbaijan-Georgia-Romania Interconnector (AGRI) feasibility study was in progress, expected to finalise by the end of 2012 Mr. Gogodze has added.

By the end of the meeting, GOGC representative had pleasure to share recent news on GOGC's Eurobond issuance worth of \$250 Million.

Finally, both parties have expressed cooperation interest and have wished success in the future business related activities.



## EU-Georgia: Meeting of Commissioner Füle with President Saakashvili

The Commissioner for Enlargement and European Neighbourhood Policy Štefan Füle and President of Georgia Mikhail Saakashvili met in Brussels on 28<sup>th</sup> of June 2012 to discuss EU-Georgia relations.

Commissioner Füle acknowledged that Georgia has made remarkable progress in its modernization and reform efforts. New and more efficient state institutions have been built and the services to the citizens of Georgia are improving. The EU is supporting and will continue to support these efforts within the instruments of the Eastern Partnership.

"It is also clear that Georgia needs to take further steps and continue this path of modernization and to consolidate democracy. The parliamentary election in October and presidential elections in 2013 will be important test cases for Georgian democracy and we encourage all political forces to respect the electoral process and make sure that the voting is free and fair," Commissioner Füle said after the meeting. "The EU is increasingly concerned about growing political tension and polarization in the run-up to the parliamentary elections **and I have expressed the conviction that the elections will be first of all**

**about political programmes and ideas,"** he continued and added that the EU is watching developments in the media landscape with particular attention.

Commissioner Füle and President Saakashvili also discussed the shared strong interest in the resolution of the conflicts regarding the Georgian breakaway regions of Abkhazia and South Ossetia. Mr Füle reiterated the European Union's commitment to Georgia's territorial integrity.

**Commissioner Füle underlined that EU supports the use of status neutral travel documents.**

(The EU and Georgia have a common goal that the benefits of getting closer to the EU - higher living standards, free trade, investment and visa liberalization - can reach the whole Georgian population, including those divided by conflict.)

## **Commissioner Oettinger welcomes decision on "Nabucco West" pipeline**

Energy Commissioner Günther Oettinger welcomes today's decision of the Shah Deniz Consortium (Azerbaijan) for the "Nabucco West" pipeline.

"With this pre-selection, we are a step closer to getting gas directly from Azerbaijan and other countries in the Caspian region. Whatever the final decision on the whole route from the Eastern part of Turkey to Europe, Azerbaijani gas is certain to come to Europe."

"This is a success for Europe and for our security of supply".

Today, in Baku, the Shah Deniz Consortium announced that "Nabucco West" is to become a preferred partner for the distribution of gas within Central Europe. Rather than opting for a one-step-approach, the Consortium had decided to go ahead on the basis of a regional pre-selection. These regions are: Central Europe, Southern Europe and Turkey. Nabucco West, aiming to bring gas from the Western Turkish border to Baumgarten (Vienna, Austria), has been pre-selected to deliver gas to the region of Central Europe. With this decision, the offer of the competitor South East Europe Pipeline (SEEP, owned by BP) has been turned down.

The decisions for "Nabucco West" and yesterday's Inter Governmental agreement on the Trans-Anatolian Gas Pipeline (TANAP, pipeline through Turkey) assure that the pipelines, in any eventual configuration, will deliver to Europe.

### **Background information:**

The Nabucco Consortium has recently submitted a proposal to the Shah Deniz Consortium for Nabucco „West“, which is an alternative to Nabucco classic starting at the Georgian - Turkish border.

The "Nabucco West" pipeline would bring Caspian gas from the Turkish-Bulgarian border to the European Gas turntable in Austria and beyond.

Nabucco West will run from the Turkish-Bulgarian border to the vicinity of the gas hub at Baumgarten near Vienna, Austria. The pipeline will pass through Bulgaria, Romania and Hungary before it reaches Austria. The route distances are as follows: Bulgaria - 412 km; Romania - 469 km; Hungary - 384 km; Austria - 47km. The total length of the pipeline will be 1300 km.

The Shah Deniz Consortium has announced that it expects to make a final route selection ahead of mid-2013, and a decision for the Central European section in the course of June 2012.

After the final decision has been taken construction will begin as soon as possible to meet producers' delivery schedules.



Nabucco is supported by an Intergovernmental Agreement that was signed with states in July 2009 and has since been ratified in all five transit countries. This treaty, valid for 50 years, grants transit rights in Austria, Hungary, Romania, Bulgaria and Turkey. The feasibility of the base case is not affected by the Nabucco West proposal, and decisions on this issue will be taken by the shareholders of Nabucco depending on market demand and other factors.

## **EUGBC Secretary General provided a workshop for the staff of the GCCI in the scope of the East Invest Twinning Program**



In the framework of the East Invest Twinning Program, funded by the European Union, the Secretary General of the EU-Georgia Business Council (EUGBC), Konstantin Zaldastanishvili held a workshop for the staff of the Georgian Chamber of Commerce and Industry (GCCCI) on 28<sup>th</sup>-29<sup>th</sup> of June and on 2<sup>nd</sup> of July, 2012, in the premises of GCCCI in Tbilisi.



The EU single market, the specificities of exporting to the EU market, EU Trade Policy, GSP, EU Rules of origin, negotiations on Deep and Comprehensive Free Trade Area (DCFTA) between Georgia and EU, its importance and benefits, Export Helpdesk (online instrument created by the European Commission for the exporters from developing countries), practical issues related to the trade mission from Belgian, Netherlands and UK, planned to take place in Georgia in the framework of the Twinning Program on 10-13 December 2012 were presented and discussed at the workshop.

The participants of the workshop actively engaged in the discussion. They showed a particular interest in the practical information provided on the Export Helpdesk. The representatives of GCCCI stressed that acquiring such a practical knowledge is extremely useful in many respects, but importantly to better service the GCCCI members.

### **Background information**

EUGBC is a member of the Consortium led by EUROCHAMBERS implementing the East Invest Project funded by the European Commission in the scope of the Eastern Partnership (EaP) Initiative. The East Invest project seeks to facilitate and encourage economic co-operation between the EU and the Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

EUGBC as a European member of the East Invest consortium, in cooperation with the Hague Chamber of Commerce, the Federation of Belgian Chambers of Commerce, Chamber of Commerce and Industry of Birmingham and Georgian Chamber of Commerce and Industry (GCCCI) is actively involved in one of the components of the East Invest - the twinning's program. Twinning program will encourage concrete and sustainable co-operation between the EU and EaP business support organisations (BSOs) by supporting the implementation of joint projects.

## EUGBC Members' News

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### **Gvinadze & Partners joined by Professor Tedo Ninidze as Counsel**

Professor Ninidze is one of the leading specialists and principal authors of Georgia's modern-era commercial law.

Having served as Minister of Justice in the critical years of Georgia's post-soviet transformation (1993-1998), Professor Ninidze has played a key role in the development of the new body of Georgian civil law, and has co-authored and supervised the drafting of the principal commercial statutes including the Law on Entrepreneurs (1994) and the Civil Code (1997).

Please visit [gvinadzeandpartners.ge](http://gvinadzeandpartners.ge) for more on Tedo Ninidze.



### **Bank of Georgia to Enter FTSE 250 and FTSE all-share indices**

Bank of Georgia Holdings PLC (LSE: BGEO LN), (the "Company" ), the holding company of JSC Bank of Georgia and its subsidiaries (the "Bank"), Georgia's leading bank, welcomes yesterday's announcement by the FTSE that the Company's shares will be included in both the FTSE 250 Index and the FTSE All Share Index from 15 June 2012.

In order to qualify for membership of the FTSE 250 Index, the Bank has been required to meet a number of criteria, which cover factors such as market capitalisation, free float and average daily trading. The Company believes that its shares are now likely to be added to the holdings of FTSE 250 and FTSE All Share Index Funds, creating further significant improvements in the liquidity of its securities.

Irakli Gilauri, 36, Chief Executive Officer of Bank of Georgia Holdings plc, commented: "Our inclusion in both the FTSE 250 and FTSE All-Share Indices is another major step forward for Bank of Georgia to further increase the liquidity of our shares and our profile in international capital markets, following our Premium Listing in February 2012. Through our UK-incorporated holding company and with our strong track record on corporate governance, we offer UK and emerging market institutional investors access to the fast-growing Georgian economy and banking sector; we are unique among FTSE banks not only because of our emerging markets focus but also because of the strength of our balance sheet with a 23% core Tier I ratio (BIS basis), our high levels of liquidity and profitability and our growth prospects."

#### **About Bank of Georgia Holdings plc**

Bank of Georgia Holdings plc is a UK-incorporated holding company of Bank of Georgia. Bank of Georgia is the leading Georgian bank, based on total assets (with a 34% market share), total loans (with a 35% market share) and client deposits (with a 34% market share) as of 31 March 2012, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients. Bank of Georgia has, as of the date hereof, the following credit ratings: Standard & Poor's 'BB-/B'

FitchRatings 'BB-/B' Moody's 'B1/NP' (FC) & 'Ba3/NP' (LC) For further information, please visit [www.bogh.co.uk](http://www.bogh.co.uk), [www.bog.ge/ir](http://www.bog.ge/ir) or contact: Irakli Gilauri Macca Ekizashvili Chief Executive Officer Head of Investor Relations +995 322 444 109 +995 322 444 256 [igilauri@bog.ge](mailto:igilauri@bog.ge) [ir@bog.ge](mailto:ir@bog.ge). This news report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities.

## Bank of Georgia announces the launch of research

Bank of Georgia Holdings plc. ("BGH") (LSE: BGEO LN), the holding company of JSC Bank of Georgia (the "Bank"), Georgia's leading bank, announced today the launch of research services with an aim to provide comprehensive insight of the under-researched Georgian market to institutional and private investors (including our wealth management clients). The move will support the Bank's corporate and wealth management business lines in attracting more investments into the country. The Bank's research business will operate under the name of Bank of Georgia Research.

The Bank also announces the appointment of Ms Ekaterina Gazadze as Head of Bank of Georgia Research. Before her employment with Bank of Georgia, Ekaterina Gazadze served as an equity research analyst at Renaissance Capital covering metals and mining sector in Kazakhstan. She also worked at the EBRD's Tbilisi and London offices where she worked on transactions involving debt and private equity investments. Ekaterina's previous experience also includes statistics department of Georgia and private equity fund focused on Central Asia. Ekaterina Gazadze received her graduate degree in Economics from Georgian Technical University and MSc in Investment Management from Cass Business School.

"I am truly excited about the launch of Bank of Georgia Research that is committed to providing its clients with the high quality, in-depth research coverage of the under-researched sectors and investment opportunities presented by the growing Georgian economy. I am looking forward to working with research, corporate and asset and wealth management teams in building a more sophisticated platform for our current and future clients and investors," commented Irakli Gilauri, Chief Executive Officer.

If you are interested to subscribe to our research services please send your expression of interest to the following email: [research@bog.ge](mailto:research@bog.ge)

Please see the link to our first sector research: Give Green Light to Water ([http://bankofgeorgia.ge/reports/give\\_green\\_light\\_to\\_water.pdf](http://bankofgeorgia.ge/reports/give_green_light_to_water.pdf))



SOCIETE GENERALE GROUP

## Bank Republic Participates in the French Week in Caucasus

Bank Republic took part in the first French Week in Caucasus held in Tbilisi on June 21 through 25, 2012. The aim of the event was to facilitate deeper cooperation between Georgia and France in the areas of business, culture and tourism. The French companies operating in Georgia displayed their products in the premises of the National Museum of Georgia. Visitors were provided with the opportunity to receive information about the products and services of Bank Republic and talk to the bank consultants. Via the international network of the Société Générale group, Bank Republic supports its business clients in conducting trade operations smoothly and expanding their business overseas. Thus, the bank contributes to the development of the Georgian economy.

## Bank Republic Conducts Citizen Commitment Week

Social responsibility is an integral part of the daily work of Bank Republic. According to the policy of Société Générale group, the bank conducts Citizen Commitment Week every year, with the goal of making a social impact by providing support to those in need.

Within the framework of the Citizen Commitment Week, the bank plans to collect cash for the socially insecure, donate blood to support children with leukemia, and to participate in the cancer awareness marathon Race for the Cure. The regional branches of Bank Republic will organize various social and charity events.

The members of the Société Générale group have been conducting the Citizen Commitment Week for five years. All employees of the member banks are unanimous in their endeavors to make teamwork and socially beneficial actions a tradition.

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### About Bank Republic

Bank Republic, member of Société Générale Group since 2006, is one of the most successful banking institutions in Georgia. Established in 1991, the bank enjoys leading position in the retail and corporate market. Via its 37 branches, the bank serves its clients in observance of the principles of professionalism, innovation and team spirit.

Webpage : [www.br.ge](http://www.br.ge)

### About Société Générale

Société Générale is one of the largest European financial services groups. Established in 1864, the group provides financial services to more than 33 million individual, corporate and institutional clients in 77 countries worldwide. Thanks to its strategy of financial solidity and sustainable growth, Société Générale succeeds in achieving its goal – to be recognized on its markets, chosen for the quality and commitment of its teams.

Webpage : [www.socgen.com](http://www.socgen.com)

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### Core Members

