



# Newsletter

**January – March 2009**

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## Business Breakfast on SMEs Access to Finance

On January 21, 2009, Kote Zaldastanishvili, Secretary General of EU-Georgia Business Council (EUGBC) participated in the Business Breakfast on SMEs access to finance. The event was held in the premises of the Czech Center in Brussels and was organized by *CEBRE - Czech Business Representation to the EU* in cooperation with Czech Permanent Representation to the EU. The partner of the event was Česká spořitelna a.s. (bank that is geared towards small-scale clients, small and medium-sized companies).



For the first time, the Czech Republic is holding its six-month Presidency of the Council of the EU from January 2009. After Slovenia, it is only the second New Member State presiding.

The aim of the Business Breakfast was to discuss the ways how to improve the access of SMEs to finance.

Following speakers have been invited to the meeting:

- Petr Dolejší, Chairman of the competitiveness Working Group, Czech Permanent Representation to the EU
- Dusan Ondrejicka, Communication department, European Investment Bank
- Jirí Plecity, Member of cabinet of Vice-president of the European Commission Gunter Verheugen
- Gerhard Huemer, UEAPME - The European Association of Craft, Small and Medium-sized Enterprises
- Petr Zahradník, Czech analyst and economist, Česká spořitelna a.s.

In the wake of financial crisis the SMEs, especially start-ups, innovative companies and business transfers, can feel certain reluctance and restrictions from banking sector when asking for credits. Guarantees granted for SME credits by public institutions seem an appropriate solution. Participants agreed that measures aimed to ease the SMEs access to finance should be taken according to the local needs and via established structures (structural funds, EIB loans and EU programmes).

## European Commission proposes open negotiations on a Common aviation area with Georgia

The European Commission proposed on January 30<sup>th</sup> to the Council directives for negotiation for a comprehensive aviation agreement with Georgia. The aim is to establish a Common aviation area between the EU and Georgia which will remove market restrictions and associate Georgia to the EU internal aviation market.



The agreement aims at mutually opening the respective markets and at integrating Georgia into European aviation structures. Georgia is ready to harmonise its legislation with European standards and to implement a large part of the EU's aviation rules. The agreement will be a further step in creating a wider Common Aviation Area between the EU and its neighbours by 2010.

Georgia is an important partner in the European Neighbourhood Policy. In November 2006, a joint EU-Georgia Action Plan was adopted to support the process of harmonization with EU rules and Georgia's further integration into the European political and economic structures. Georgia was one of the first countries in the Eastern neighbourhood to sign a horizontal air services agreement with the European Community. This has brought in line with European law Georgia's bilateral air services agreements with 14 Member States.

The new comprehensive aviation agreement would be an important step towards strengthening aviation relations between the two partners. Passenger and cargo traffic between the EU and Georgia have developed markedly since 2004 with growth of around 14 percentage points per year.

## **New Chairman of EUGBC Board, Howard Chase visited Georgia**



Chairman of the EUGBC Board, Howard Chase, Director of European Government Affairs for BP Europe, visited Tbilisi on 1-5 February. Together with the EUGBC Secretary General, Kote Zaldastanishvili Mr. Chase held meetings with the representatives of the Government of Georgia (Minister of Foreign Affairs of Georgia, Grigol Vashadze, Energy Minister, Alexander Khetaguri, State Minister on European and Euro-Atlantic Integration, Giorgi Baramidze, and Minister for Economic Development, Lasha Jvania), members of the diplomatic corps accredited in Georgia, international organizations and the business community.

In meetings with senior business leaders, discussion focused on the business climate in Georgia, the impact of the global economic crises on the Georgian economy and the contribution the EUGBC can make to economic recovery. The Chairman and Secretary General also heard at firsthand about the needs, interests and concerns of the business community with respect to business development in Georgia.

The EUGBC held its opening Board Meeting for 2009 during the visit. In his first meeting as Chairman, Mr. Chase paid tribute to his predecessor and invited the new members to make a full contribution to the proceedings. He also underlined the importance of regular communication with members to understand their needs and concerns. Among the current issues facing EUGBC, the Board proposed four major priorities for the Council this year: to facilitate trade and investment between Georgia and the EU; to increase support to Georgia's banking sector; to encourage development of SMEs and their involvement in the Council's activities; and to intensify the lobbying activities of the EUGBC at Brussels level on relevant issues (e.g. visa facilitation, certification and standards, free trade agreement between Georgia and EU).

## **Three new members joined the EU-Georgia Business Council in First Quarter 2009**

EUGBC Board of Directors held its meeting on February 3, 2009 and approved the membership of 3 new companies who had expressed interest in joining the activities of the EU-Georgia Business Council.



Georgian Public Broadcasting, Wissol and Tbilisi Academy of Economy and Law joined the Council as Corporate A members. With their entry, the membership of the Council has grown up to 40 organizations.



## **EUGBC Members met with H.E. Ivan Jestrab, Ambassador of the Czech Republic in Georgia**

On February 6, 2009, EUGBC held its Members meeting with H.E. Ivan Jestrab, Ambassador of the Czech Republic in Georgia at EUGBC member TBC Bank's office. The meeting with the Ambassador was particularly important as the Czech Republic now holds the presidency in the European Union.

At the meeting with the Ambassador, EUGBC Members discussed the Council's role in EU-Georgia relations and cooperation possibilities with the Czech Embassy in Tbilisi. Besides, discussion was held with respect to current political and economic trends in the EU, as well as in one of its Member State Czech Republic and the priorities of Czech Presidency in the EU for coming six months.

The Ambassador informed that the Czech Presidency calls for a “Europe without barriers” which makes full use of its economic, human and cultural potential and is therefore capable of holding its own against global, political and economic competition. The Presidency will focus on three priority objectives:

- Economy - A Competitive Europe
- Energy and Climate Change
- External relations – An Open and Secure Europe

The Ambassador also spoke about the state of the EU-Georgia and Czech-Georgia relations. He emphasized that expansion of relation with EU’s eastern Neighbours is one of the priorities of the Czech presidency. In this respect, the first ever Eastern Partnership Summit which will bring together representatives of 27 EU member states and six countries of the Eastern dimension of the European Neighbourhood Policy: Ukraine, Moldova, Belarus, Georgia, Azerbaijan and Armenia will be held in Prague on May 7<sup>th</sup>, 2009. The EU intends to boost ties with these countries, to make them strategic in prospective. Among many other issues of cooperation, participants of the summit will discuss the issues related to supporting the banking sector and visa facilitation in EU’s eastern neighbourhood.

### **EUGBC Secretary General participated at the 4<sup>th</sup> International Conference - Georgia’s European Way – ENP AP Implementation in Georgia**

The 4th international conference entitled *The European Way of Georgia - Georgia’s European Neighbourhood Policy Action Plan Implementation* was held in Tbilisi on February 9-10, 2009. Nika Gilauri, Prime Minister of Georgia, Giorgi Baramidze, State Minister for Integration in Europe and European Structures, Tomáš Pojar, First Deputy Foreign Minister of the Czech Republic on behalf of the current EU presidency and Per Goran Eklund, Ambassador, Head of the Delegation of the European Commission to Georgia opened the conference.

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 took part in the conference. EUGBC was represented at the Conference by the Secretary General, Kote Zaldastanishvili.



A number of Ministers and other high authorities of Georgia delivered presentations at the conference : Mr. Grigol Vashadze – Minister of Foreign Affairs, Mr. Lasha Zhvania – Minister of Economic Development of Georgia (presentation see attached), Mr. Temur Iakobashvili – State Minister for Reintegration, Mr. Koba Subeliani –Minister for Refugees and Accommodation of Georgia, Mr. Davit Tkeshelashvili – First Vice Prime-Minister, Minister for Regional Development and Infrastructure of Georgia, Mr. Valeri Tsertsvadze, Secretary of the High Council of Justice.

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 Neighborhood 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 peaceful resolution of the Russia-Georgia conflict, democratic and economic reforms and Georgia’s integration with European structures were main discussion topics of the conference.

The Georgian authorities emphasized that due to the Russia-Georgia war and continuing Russian aggression Georgia’s European integration priorities have acquired almost existential importance. It was stressed that Georgia’s foreign policy more than ever is directed towards the European Union (EU), which is largely perceived as a guarantor of peace, democracy, development, stability, territorial integrity and human rights protection.

The Georgian authorities stated its strong commitment to fully exploiting the wide range of the ENP opportunities together with the enhanced assistance provided by the country's European and international partners. Appreciation was expressed to the crucial role the EU played in achieving ceasefire during Russian-Georgian war in August 2008. The Government also welcomed the decisions taken by the Extraordinary European Council on September 1<sup>st</sup>, 2008 and the *General Affairs and External Relations Council* on September 15, 2008 to deploy the EU Monitoring Mission (EUMM) in Georgia. The importance of the EU response to the Russian-Georgia war by increased financial assistance up to EUR 500 million for the period 2008-2010 was also highlighted.

At the conference, special significance was assigned to the decision of EU Extraordinary Council to step up its relations with Georgia, including visa facilitation measures and the possible establishment of a full and comprehensive free trade area as soon as the conditions are met.

The event also voiced the EU's new initiative "Eastern Partnership" that should bring Georgia and the EU to functional arrangements in all directions based on tailor-made approaches to contribute to stability and security (conflict resolution) in the Eastern neighborhood and ensure deeper economic integration.

Three thematic sessions were held in the framework of the conference:

- **Conflict Resolution Session** that examined the new reality after the Russian aggression; Role of the European Union in conflict resolution; Implementation of the 6 points agreement; Geneva talks; and the significance of the EUMM mission and related problems.
- **Democratic Reforms Session** that discussed the New Wave of Democratic Reforms aimed at strengthening the role of parliament and the independence of the judiciary, improving freedom of media and protection of property rights.
- **Economic Reforms Session**, which focused on perspectives of Deep and Comprehensive FTA with the EU; Impact of global financial crisis on the Georgian economy and Action Program of the Government of Georgia; and development of agriculture.

Attached please see the Conference Program, List of Participants, Presentation made by the Minister of Economic development and the Georgia's Progress Report on Implementation of the ENP Action Plan in 2008.

For information on ENP Conference program, participants and other details please visit EUGBC website [www.eugbc.net](http://www.eugbc.net) (Events).

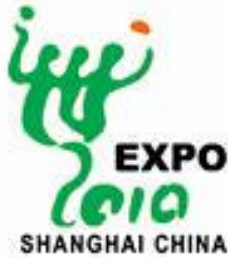
**BP and partners support the establishment of the Project Management College**

**FREE UNIVERSITY**

BP, on behalf of its Oil and Gas Co-venturers, initiated and is funding the establishment of the Project Management College (PMC) in Georgia, in partnership with the Free University.

The Project Management College lunch was held at the Marriot hotel in Tbilisi, on February 23rd. Minister of Economic Development, Lasha Jvania, BP Georgia General Manager, Neil Dunn and Rector of the Free University, Simon Kadagidze opened the event.

Through this initiative, both private and public sectors in Georgia will have access to an integrated, comprehensive program, focusing on the simultaneous goals of improving immediate project management performance and establishing long term project management capability in the country. To ensure high quality training, BP has contracted the world's leading project management training and solutions company, ESI International. For more information on the project, please see the BP press-release at [www.eugbc.net](http://www.eugbc.net) (News).



## The World Expo 2010 to be held in Shanghai, China

Expo 2010 will be held in Shanghai, China and is a scheduled World Expo in the grand tradition of international fairs and expositions. The theme of the exposition will be "Better City – Better Life" and signifies Shanghai's new status in the 21st century as a major economic and cultural center. It is expected to generate the largest number of visitors in the history of the world's fairs in terms of gross numbers.

The Expo will take place from May 1 – October 31, 2010. For its 184 days, participants will display urban civilization to the full extent, exchange their experiences of urban development, disseminate advanced notions on cities and explore new approaches to human habitat, lifestyle and working conditions in the new century.

Expo 2010 Shanghai China will also be a grand international gathering. On the one hand, it shall endeavor to attract about 200 nations and international organizations to take part in the exhibition as well as 70 million visitors from home and abroad, ensuring the widest possible participation in the history of the World Expositions.

Georgia is among the invited participants, and the Ministry of Foreign Affairs has already launched the selection process of interested parties.

If you are interested to participate or have questions in this regards, please contact EUGBC Representative in Georgia, Tamar Khuntsaria at [tamar.khuntsaria@bp.com](mailto:tamar.khuntsaria@bp.com), tel: +995-32-59.36.07 and cell: +995-95-98.99.16.

Please see EUGBC website [www.eugbc.net](http://www.eugbc.net) (Events) for the Expo 2010 associated documents provided by the Ministry of Foreign Affairs.



### **H.E. Mr. Grigol VASHADZE, Minister of Foreign Affairs of Georgia, addressed the audience in Royal Institute for International Relations of Belgium on: "GEORGIA'S RELATIONS WITH RUSSIA AND WITH THE EU"**

On Tuesday, 17 March 2009, Kote Zaldastanishvili, Secretary General of EU-Georgia Business Council (EUGBC) participated in the Conference, organized by *EGMONT - Royal Institute for International Relations of Belgium*. The guest speaker of the conference was *H.E. Mr. Grigol VASHADZE, Minister of Foreign Affairs of Georgia*, who addressed the audience on: "GEORGIA'S RELATIONS WITH RUSSIA AND WITH THE EU". The conference that took place in Brussels at the Palais d'Egmont was followed by a reception offered by the Embassy of Georgia.



During the reception Secretary General had a chance to exchange the views with Minister Vashadze and high ranking Belgian Diplomats on EU-Georgia relations.

## **"Georgia – Six Months After the War: Where Do Things Stand?" - One of the topics of the Brussels Forum's Agenda**

The Brussels Forum is an annual high-level meeting of the most influential American and European political, corporate, and intellectual leaders to address pressing challenges currently facing both sides of the Atlantic.

The inaugural Brussels Forum took place April 28–30, in Brussels, Belgium. Heads of state, senior officials from the European Union institutions and the member states, U.S. Senators, and Parliamentarians were among the 200 participants.

Today, the United States and Europe are striving to deepen transatlantic cooperation on a vast array of distinctly new, global challenges from fostering the growth of democracy to confronting pandemics and terrorism, yet there is no single transatlantic forum focused on this broad and increasingly complex global agenda.



The Brussels Forum provides a venue for the transatlantic community to address these pressing issues. By bringing together leading politicians, thinkers, journalists, and business representatives, Brussels Forum will help shape a new transatlantic agenda that can adapt to changing global realities and new threats.

At a March 21 evening session that was moderated by US State Department Representative for Afghanistan and Pakistan Richard Holbrooke, President of Georgia Saakashvili spoke about the domestic economic and political fallout of last year's war with Russia, fulfilment of the ceasefire agreement with Russia, and US-Georgian relations under President Barack Obama.

Two opposition leaders Irakli Alasania, the former United Nations ambassador and Salome Zurabichvili, ex-Georgian Foreign Minister also participated at the event.

## **EUGBC Secretary General, Konstantin Zaldastanishvili met with Martnix Bierlin, Coordinator for Europe in the Flanders Investment and Trade Agency**

On March 20, EUGBC Secretary General, Konstantin Zaldastanishvili had a meeting with Martnix Bierlin, Coordinator for Europe in the Flanders Investment and Trade Agency ([www.flandersinvestmentandtrade.com](http://www.flandersinvestmentandtrade.com)).



Flanders Investment and Trade is the government agency supporting home based companies doing business abroad and foreign companies looking to set up or extend operations in Flanders, northern region of Belgium.

This Agency, together with the Chamber of Commerce and Industry of Georgia (EUGBC core member), plans organization of Georgian trade mission to Brussels this year. The Chamber asked the Secretary General to actively engage in the organization of this event. Subsequently, Mr. Bierlin became interested to cooperate with EUGBC.

The Flanders Investment and Trade Agency is ready to invite the Flemish business community, arrange a conference hall and a reception for the trade mission arriving in Brussels from Georgia. According to Mr. Bierlin, organization of this event will take some time, therefore, he offered second half of September 2009 for hosting Georgian trade mission in Brussels. He also noted that it's important that the list of possible participants from Georgia is submitted to the Belgium counterpart at least two months prior the event, so that invitation of Flanders companies operating in related sectors is ensured.

At the meeting it was agreed that the first day of the trade mission should open with a seminar on economic situation in Georgia and Flanders, followed by bilateral meetings on the second day.

In addition, EUGBC proposed that during the trade mission's stay in Brussels, similar event is organized at the Wallonia Export and Investment Agency. Mr. Bierlin liked this idea and noted that Flanders Investment and Trade Agency and Wallonia Export and Investment Agency are good partners.

**BORJOMI**



ბორჯომი

### **Georgian Glass & Mineral Waters Company Acquires Borjomi Mineral Water Production License**

On March 20, 2009 the Ministry for Economic Development of Georgia held the auction on issue of the license for minerals extraction on the Borjomi mineral water deposit. Georgian Glass & Mineral Waters Company became the holder of the license for the term of 25 years. The starting price of license was the equivalent of 8 million USD in GEL, and the increment was equal to 200000 USD in GEL. Georgian Glass & Mineral Waters Company has acquired the license at 8 200 000 USD.

"This is the logical course of our activity we have implemented for the success of Georgian brand. For fifteen years already, we have borne the responsibility for promotion of Borjomi brand. Our success is based on the enormous work performed by us during all these years. As a matter of fact we have operated from crisis to crisis. For the 15-year period we have overcome three crises and each of them made us stronger than earlier. Practically we have restored the brand Borjomi from ashes and returned to him the former good name. The present day is the logical continuation of all that activity we have pursued before", - General Director Zaza Kikvadze stated.

Georgian Glass & Mineral Waters Company was established in 1995 and in 1997 it became the holder of Borjomi mineral water production license for the term of 10 years. Upon expiration of the license term in 2007 the term was prolonged for some times for company and since March 20, 2009 Georgian Glass & Mineral Waters Company still has become the holder of license for the term of 25 years.



### **EUGBC Secretary General participated in the EUROCHAMBRES meeting with its members from EU's eastern neighbour countries**

On March 24, 2009, EUGBC Secretary General, Kote Zaldastanishvili participated in the EUROCHAMBRES meeting with its members from EU's Eastern neighbour countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine and Russia) held in Brussels.

The Georgian Delegation was presented by Kote Zaldastanishvili, Secretary General of the EUGBC, Representative of the Georgian Chamber of Commerce and Industry in EUROCHAMBRES; Nino Chikovani, Manager of the International Department of the Georgian Chamber of Commerce and Industry; and Paata Tsiskarishvili, President of Telavi Regional Chamber of Commerce and Industry, Director of Telavi Cellar Company.

The Delegations were welcomed by Arnaldo Abruzzini, Secretary General of EUROCHAMBRES.

After welcoming address of the EUROCHAMBRES' Secretary General, the delegations provided information on the recent events within their Chambers (legal basis, core activities, priorities, impact of the financial crisis, etc.) and on their respective relations with the EU.

Dirk Vantghem, Director International Affairs of EUROCHAMBRES presented International Affairs activities of EUROCHAMBRES' and talked about the possibilities of closer cooperation between EUROCHAMBRES and EU Eastern Neighboring members.



At the meeting it was noted that the Chambers of Commerce of the EU's Eastern neighbor countries were seriously affected by the worldwide financial crisis - the Chambers' members experience problems in paying the membership fees and it has become extremely difficult to retain them. Consequently, attraction of members has become even more difficult. The number of economic missions and other economic activities has also significantly decreased. In addition, most of the Chambers (Azerbaijan, Armenia, Georgia and Moldova) were seized the right to issue the Certificates of Origin, which instead was granted to the government bodies (Ministry of Economic Development, Customs Department). It is notable that funds coming from the issuance of the Certificates of Origin were about 60% of the Chambers budget. As a result, the Chambers' incomes have seriously declined and they are simply trying to survive.

Talking about EUROCHAMBRES' International Affairs activities and possibilities of closer cooperation between EUROCHAMBRES and its members from EU's Eastern neighbor countries, Dirk Vantuyghem underlined three main priorities:

- Lobbying
- Implementation of joint projects funded by European Commission (e.g. East-Invest) and
- Participation of the Chambers in the events organized by the EUROCHAMBRES.

During the meeting Dirk Vantuyghem several times referred on the EUROCHAMBRES cooperation with EU-Georgia Business Council in the direction of lobbying East-Invest project.

### **The Trade Mission from the Wallonia Region (Belgium), Lorraine Region (France) and Luxemburg will visit Georgia on 27-28 May**

On March 19, EUGBC Secretary General Kote Zaldastanishvili met the representatives of Wallonia Agency of Export and Investments (AWEX [www.wallonia-export.be](http://www.wallonia-export.be)) in Brussels.

AWEX, together with the regional Chamber of Commerce of Luxemburg and Lorraine (France), plans a trade mission to Georgia and Armenia. The mission will stay in Erevan on 25-26 May and in Tbilisi on 27-28 May.



On 27 May, a conference – Doing Business in Georgia – will be held at the Sheraton Metechi Palace in Tbilisi, and 28 May will be devoted to associated bilateral meetings of Georgian companies and the members of the Trade Mission visiting Georgia.

The French Business Council in Georgia (FBC) in partnership with the EU-Georgia Business Council (EUGBC) will welcome the trade mission from Wallonia Region (Belgium), Lorraine Region (France) and Luxemburg in Tbilisi.

Representatives of the Georgian authorities, the business community and diplomatic corps accredited in Georgia as well as special invitees from the French and Belgian side will be invited to the event.

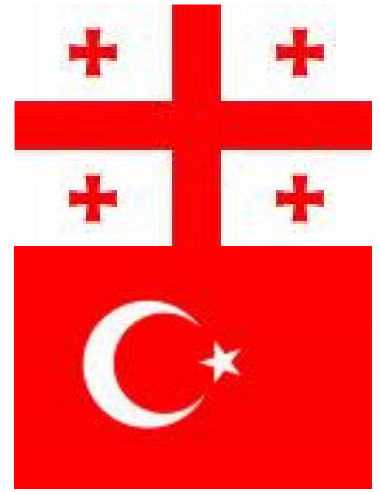
The conference agenda and the list of participant organizations arriving in Georgia will be communicated at the later stage.

At the meeting in Brussels, the representatives of the Wallonia Agency showed interest towards the activities of EUGBC and expressed willingness for future cooperation. They are also interested to arrange a trade mission together with the EUGBC in Belgium for interested Georgian companies.

## Turkey Import Quotas in Georgia-Turkey Free Trade Agreement

On January 8, 2009, Director General of Foreign Trade of the Republic of Turkey set several conditions with respect to quotas established under "the Free Trade Agreement" allowing Georgian productions to be imported to Turkey.

Among the listed conditions, there are few that intentionally create barriers to the trade. Namely, there are fixed limitations on the maximum amount of tons and litres that are subject to one-time quotas only (e.g. restriction on the export of wine is maximum 1000 litres). Besides, only those companies have access to import quotas that are producers of imported goods or use them as semi-processed goods in their production. Such regulations seriously hinder trade relations with the Republic of Turkey. Also, according to the above mentioned regulation, the representatives of a distribution network have a limited access to import quotas.



For more information please refer to the following website:  
<http://www.ictplgeorgia.ge/index.php?name=PagesG&op=page&pid=80>



## Georgian Red and White Dry Wine will be sold at the Swedish Market

On April 3, 2009, "Systembulagent" announced a tender on the purchase of red and white dry wines produced from local, Georgian grape types. As it has become known the amount of wine bottles will not exceed 6000-8000. The Georgian Embassy in Sweden continues work to increase the import of Georgian red and white dry wines to Sweden. Hopefully, from the next year, Georgian white dry wine, alike the red wine, will find a permanent place on the Swedish market.

"Systembulagent" will accept the tender applications of interested Georgian companies until May 5, 2009. Within a month after this date, the company will request submission of samples.

For more information please refer to the following website:  
<http://www.ictplgeorgia.ge/index.php?name=PagesG&op=page&pid=78>

## BP and Partners Launched an Innovative Project: Energy Bus - A Mobile Exhibition

On March 25, 2009, BP and partners launched an innovative project to raise awareness of energy efficiency among Georgian communities and also help them buy energy efficient products. The project is a partnership between international organizations (BP, USAID, Winrock International, EBRD and OSCE) and local Georgian experts and banks, and links to existing efforts to promote energy efficiency in Georgia and other countries.

The programme comprises of two components: raising awareness of the options that will help households reduce energy use or invest in alternative energy sources. This component is being implemented by local NGO, the Georgian Energy Efficiency Centre, using practical demonstrations and information.



A mobile information and demonstration unit – the 'Energy Bus' – is the key tool that will be used to promote energy saving in a creative way. After official launch on March 25, the 'Energy Bus' started visiting Tbilisi districts and its surroundings and continued its journey to rural communities and major cities across the country. The representatives of the implementing NGO are travelling in the bus and engaging with local communities in the following activities:

- Consultations to households and small entrepreneurs on alternative energy technologies and energy efficiency - biogas unit, micro HES, solar panel, wind generator, sawdust heater, insulation works, etc.;
- Distribution of printed materials, videos and demonstration of working samples of alternative energy devices;
- Provision of the information about the availability of subsidized loans for local communities for purchasing alternative energy devices.

The second component involves provision of cheaper credit to those households interested in investing in energy efficient solutions. Grants from BP, on behalf of its co-venturers, will be made available to help households purchase energy efficient products and devices. The loans are being introduced by EBRD and will be available through local banks in Georgia,

'We hope our new energy initiative will help Georgian communities improve their knowledge on energy saving options to the benefit of their household income, the environment and the overall economy of Georgia', said Neil Dunn, General Manager for BP in Georgia.

Minister of the Regional Development and Infrastructure of Georgia, Mr. David Tkeshelashvili, expressed his support for the program, 'I support BP's new energy initiative in Georgia and we will cooperate with the program implementers through our regional networks. I believe this new initiative is very timely and will help communities save energy and money and improve livelihood'.

US Ambassador John Tefft said, 'I believe that the Energy Bus project is a model for bringing together key stakeholders to increase awareness of the general public, stimulate investments in and increase access to sources of finance for renewable and efficient technologies'.

OSCE Ambassador Terhi Hakala underlined that the new energy project will support the development of energy security in Georgia. 'The OSCE is happy to support initiatives which address economic and environmental security issues'...'This is a very innovative and practical way to help communities look again at their energy consumption, diversify it, and help save money and the environment,' said Ambassador.

Irakli Mekvabishvili, Acting Head of EBRD's Georgia Residence Office, said "These loans are part of the first energy-efficiency facility for residential customers provided by the EBRD and other donors. It complements an existing facility, made already available to three Georgian banks, that targets energy efficiency and renewable energy in the corporate sector. The housing sector is an increasing area of priority for the EBRD, but it is also a more challenging one. This new financing, supplemented by the grant from BP and its Co-venturers, provides affordable mechanism for households across the country to improve their energy efficiency and decrease energy related expenditures over the long term"



## 200 million euro from the five-billion package will go to the Nabucco project

After the negotiations at the European Council meeting held in Brussels on 19-20 March 2009, chaired by Czech Prime Minister Mirek Topolánek, the heads of state and government of the EU reached an agreement to allocate 200 million euro for Nabucco project.

"200 million euro from the five-billion package will go to the Nabucco project," Deputy Prime Minister of Czech Republic Alexandr Vondra specified the investments earmarked for securing access to energy resources from the Caspian region for European countries; "this measure can be seen as a response to the

recent gas crisis. We cannot rule out the possibility of its recurrence but the EU will be better prepared to deal with it" undelined Deputy Prime Minister.

The Nabucco pipeline project aims to decrease the EU's dependence on Russian imports by bringing Caspian gas to a hub in Austria via the Turkey and the Balkans, thus bypassing Russia.

## 16<sup>th</sup> EUROCHAMBRES' Congress will held in Prague, on the 14<sup>th</sup> and 15<sup>th</sup> of May, 2009



Under the theme "Doing Business without Barriers", the 16<sup>th</sup> EUROCHAMBRES Congress will address the major challenges that businesses, and therefore Chambers of Commerce, face. These challenges are all the more acute in the current economic crisis, something that will be reflected in the workshops and plenary sessions of the Congress hosted this year in the magnificent city of Prague during the Czech Presidency of the EU on the 14<sup>th</sup> and 15<sup>th</sup> of May 2009.

How to facilitate the free movement of goods, services, capital and workforce within Europe and outside? These are some of the questions which will be debated during the two-day programme of the Congress.

Exceptionally, two complementary events will be held at the same Prague venue in conjunction with EUROCHAMBRES' Congress: the SME Week event on the Small Business Act organised by the European Commission's Enterprise and Industry Directorate-General and a Business Forum for companies from around the world. This further emphasises the unique position of Chambers as the most effective link between the economic and political worlds.

Held in the framework of the European Year of Creativity and Innovation, EUROCHAMBRES' 2009 Congress will offer a dynamic and stimulating environment in which to discuss these key aspects of Europe's competitiveness.

More information about 16<sup>th</sup> EUROCHAMBRES' Congress you can find on <http://www.eurochambres2009.eu/>

## **The EU has set aside 600 million euro for the Eastern Partnership initiative**

Czech Foreign Minister Karel Schwarzenberg appreciated the consensus reached at the European Council meeting held in Brussels on 19-20 March 2009, which enabled the Czech Presidency to acquire mandate for the Eastern Partnership initiative. The EU has set aside 600 million euro for this ambitious project devised to strengthen the relations with Armenia, Azerbaijan, Belarus, Georgia, Moldavia and Ukraine.



"Our great dream has come true, we have become united and that is an important progress and a great achievement," stated the leader of the Czech diplomacy.

"I would like to commend the Czech Presidency one more time because without it we would not have reached consensus on the Eastern Partnership programme," José Manuel Barroso revisited this issue.

The proposals for the Eastern Partnership were put forward in a Commission communication in December 2008 following a request made by the European Council in June 2008 and reaffirmed at its extraordinary meeting in September 2008 when, discussing the crisis in Georgia, it underlined the need to step up relations with the eastern countries. The December 2008 European Council welcomed the Commission proposals, instructed the Council to study them and set the timetable for adopting and launching the Partnership.

After its adoption, the Eastern Partnership will be officially launched at a summit meeting with the partner countries, hosted by the Czech presidency of the EU Council on 7 May 2009 in Prague. The details of the Partnership are to be further developed with the partner countries subsequently.

All the countries concerned are engaged in political, social and economic reforms and are seeking closer relations with the EU. The objective of the new Eastern Partnership initiative is to support them in their reform efforts for consolidation of democracy and towards a market-orientated economy, to contribute to their stability and to promote convergence with EU standards. Although the aim of the Partnership is to gradually integrate the partner countries into the EU economy, the Partnership itself is not directly linked to the question of EU membership of the countries concerned and does not prejudge future developments in this respect.

The Eastern Partnership is part of the broader European Neighbourhood Policy (ENP), developed in 2004 in the context of EU enlargement to deepen political and economic relations with the Union's immediate neighbours to the East and the South. The southern dimension of this policy was recently reinforced with the establishment of the Union for the Mediterranean; now the eastern ENP partners are being offered a new forum for raising their relations with the EU to a higher level.



### **Call for Partners / Investors**

**Tourism companies; Wineries; financial investors;  
Technology companies; NGOs; Foundations;  
Individuals**

### **WCTE - Wine Culture Tourism Exchange project**

The Wine Culture Tourism Exchange project (WCTE) will develop regional cross border, wine/vine, culture, tourism routes. The 'WCTE' project uses the ancient vines and vine routes that cross borders throughout European regions as the platform for a modern cultural and commercial tourism activity. Regional cultural resources such as: local cultural crafts, wineries, festivals or heritage landmarks as well as the traditional tourism service providers such as wineries, restaurants and hotels, provide the possibility of developing substantial cross-sectoral revenue streams to benefit partners and to keep the project going.

A key outcome of the WCTE will be regional peace and prosperity. Cross-border contacts and cooperation will promote a shared identity and this will diminish political divisions.

The objective of this project is to stimulate a dynamic partnership between vine/wine industry, culture and cultural tourism, which will generate revenues, investment and employment. Transnational co-operation and partnerships between local cultural actors and communities will be supported. In addition, this initiative will create a project, which is culturally and commercially sustainable where part of the revenues produced by it will fund the non-commercial cultural sector along the vine routes.

Partners of this project are Council of Europe, cultural and educational institutions, tourism operators; wineries; hotels, restaurants, events operators, banks, technology companies.

WCTE Activities:

- Identification of a pilot wine cultural route and of stakeholder groups in each
- Cultural mapping training for stakeholders and experts along the route
- Creation of stakeholders' partnerships and structures to promote sustainability
- Development of universal standards and norms for governing participation in vine routes
- Development of a WCTE portal
- Preparation of cultural inventory of historical, cultural and natural assets
- Cultural mapping exercises
- Development of promotional materials: maps, leaflets and guide books internet; publicity
- Detailed map of the pilot wine route with GPS data will be launched
- Development of an electronic network linking the cross-sectoral interests across national frontiers
- Development of WCTE association/consortium/Fund Partners

The WCTE began in the countries of the Council of Europe's Kyiv Initiative (Azerbaijan; Armenia; Georgia; Moldova; Ukraine), and has been taken up in other states in the Black Sea Region and in the South East European Region. It is open to all regional groupings of wine producing states.

All potential partners should contact Ms Gillian French Contact persons:

*Ms Madelena Grossmann*

*Project Coordinator*

Regional Co-operation Division

Directorate of Culture and Cultural and Natural Heritage

Directorate General IV – Education, Culture and Heritage, Youth and Sport

COUNCIL OF EUROPE

F – 67075 STRASBOURG CEDEX

Tel: +33 (0)3 88 41 22 03

Fax: +33 (0)3 88 41 37 83 / 27 55

Email: [madelena.grossmann@coe.int](mailto:madelena.grossmann@coe.int)

*Ms Gillian French*

*Project Assistant*

Regional Co-operation Division

Directorate of Culture and Cultural and Natural Heritage

Directorate General IV – Education, Culture and Heritage, Youth and Sport

COUNCIL OF EUROPE

F – 67075 STRASBOURG CEDEX

Tel: +33 (0)3 88 41 31 70

Fax: +33 (0)3 88 41 37 83 / 27 55

Email: [gillian.french@coe.int](mailto:gillian.french@coe.int)

## **EUGBC Members will meet Lasha Jvania, Minister of Economic Development on April 30<sup>th</sup>**

One of the main functions of EUGBC is to inform the EU institutions and the Georgian and EU Member State governments about the problems of the business community, as well as to encourage a direct and constructive dialogue between governments, the EU institutions and the business sector. The Council's fulfilment of this mission is of particular importance today under the pressures of the global economic crisis.



To facilitate the dialog between businesses and governments, EUGBC plans to arrange the members' meetings with the most relevant Georgian officials. At these meetings the members will have an opportunity to ask questions on their topics of greatest interest.

One of these meetings will take place on 30<sup>th</sup> of April with Mr. Lasha Jvania, Minister of Economic Development of Georgia. This meeting will be particularly interesting in the context of global economical crises. At the meeting, you will have an opportunity to discuss with Minister Zvania current economic trends and business climate in Georgia, state of the EU-Georgia economic relations (including trade and investment) and plans of Georgian Authorities to overcome the impact of global economical crises.

### **CONTACT US:**

#### BRUSSELS:

Secretary General, Ambassador  
KONSTANTIN ZALDASTANISHVILI  
Rue Neerveld 107 1200 Brussels Belgium  
Tel: +32(0)2 761 93 60 Fax: +32(0)2 762 94 13  
info@eugbc.net; kotezal@eugbc.net

[www.eugbc.net](http://www.eugbc.net)

#### TBILISI:

EUGBC Representative in Georgia  
TAMAR KHUNTSARIA  
38 Saburtalo str., 0194 Tbilisi, Georgia  
Tel: +995(32)593607 Fax: +995(32)593480  
tamar.khuntsaria@bp.com

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### **EUGBC Members**

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AIG Europe, AmCham, Association of Georgian Exporters, Bank of Georgia, Bank Republic (Societe Generale Group), BARWIL, Begi Company, BP Georgia, BP Europe, DLA Piper, JSC Elmavalmshenebeli, Ernst & Young Audit, Georgian Public Broadcasting, Georgian Chamber of Commerce and Industry, Georgian Glass & Mineral Water, GIG Holding Ltd., GEOCELL LTD, ICTPL, Mr. Joseph Kujiashvili, Mr. David Loladze, NIKORA, Poti Sea Port, ProCredit Bank Georgia, SALFORD-Georgia, STATOILHYDRO, Tbilisi Academy of Economy and Law, TBC Bank, TBC TV, TOTAL, UGT, WISSOL, ZIMO Ltd.