

FactCheck



Dimitri Lortkipanidze: “Every year, up to 80,000 people leave the country for abroad without coming back.”



Year	Entering	Leaving	Balance
2003	324,823	357,035	-32,212
2004	544,753	539,279	5,474
2005	909,424	833,113	76,311
2006	1,161,989	1,174,119	-12,130
2007	1,441,642	1,473,437	-31,795
2008	1,841,693	1,862,420	-20,727
2009	1,984,210	1,979,635	4,575
2010	2,089,286	2,089,940	-654
2011	2,233,589	2,238,527	-4,938
2012	2,739,231	2,733,697	5,534
2013	3,207,376	3,219,628	-12,258

Nodar CHACHANIDZE
FactCheck

Debates among Tbilisi mayoral candidates were held on TV3 on 29 May 2014. Dimitri Lortkipanidze, Tbilisi mayoral candidate from the Nino Burjanadze-United Opposition party, stated the following: “Every year, up to 80,000 people leave the country for abroad without coming back.”

FactCheck took interest in this issue and verified Dimitri Lortkipanidze’s statement.

FactCheck requested relevant official data and tried to figure out whether or not the number of emigrants exceeds the number of immigrants every year by 80,000 persons.

According to the GeoStat, since 2000 the migration balance (the difference between emigrants and immigrants) was negative and in most cases it implies that more people were leaving the country than entering it. However, according to indicators from 2004-2005 and 2009-2011, the migration balance was positive. The figure from 2013 amounted to -2.6 thousand people but this number is about 19,000 units less than the corresponding figure in 2012 when the migration balance was equal to -21.5 thousand. According to the official data from the last 14 years, the migration balance was mostly negative but this figure was never less than -35.2 thousand. Specifically, for the previous 14 years, the number of emigrants has never exceeded the number of immigrants by 35.2 thousand (during one year).

FactCheck requested statistical data about displaced Georgian citizens at the state border from Geostat. The Border Police of Georgia is conducting these aforementioned statistics. The obtained in-

formation includes the exact number of Georgian citizens who have left and entered the country since 2003 until now (see table below). For seven of the last 11 years, Georgian citizens left Georgian territory more times than they entered it. It should be noted here that since 2003 the difference between leaving and entering the country has never been more than 32,212. This figure was recorded in 2003 when Georgian citizens left the territory of the country 32,212 times more than they entered the country.

GeoStat also provided FactCheck with official data about the number of emigrants and immigrants in 2012 and 2013. Accord-

ing to this information, the number of emigrants in 2012 was equal to 90,584 while the number of emigrants in 2013 amounted to 95,064. In both cases the number of emigrants is more than 80,000 people; however, it should be taken into consideration that the number of emigrants in 2012 was equal to 69,063 and the same figure was equal to 92,458 in 2013. Accordingly, the number of emigrants in 2012 was 21,521 people more than compared to the number of immigrants while the number of emigrants in 2013 was 2,606 people more than compared to the number of immigrants.

Category: Society

CONCLUSION

FactCheck relied upon official information obtained from GeoStat during its research. According to GeoStat’s data, the migration balance was positive in several cases for the previous years. For the previous 14 years, the largest negative indicator was recorded in 2000 and amounted to approximately 35,000 people.

FactCheck also studied the statistics of the Ministry of Internal Affairs about displaced Georgian citizens at the state border. As a result of calculating the data from those years when the number of Georgian citizens leaving the country exceeded the number of citizens entering the country, it turns out that for the previous years on average about 16,000 people more were leaving the country than coming back. This number is five times less than 80,000 people which is the number stated by Dimitri Lortkipanidze. FactCheck concludes that Dimitri Lortkipanidze’s statement, “Every year, up to 80,000 people leave the country for abroad without coming back,” is FALSE.



The views expressed in this website are those of FactCheck.ge and do not reflect the views of The FINANCIAL or the supporting organisations

Phablets Are So Yesterday: More Users in Asia Now Hold Tablets to Their Faces to Make Calls, Reports

The FINANCIAL

Large smartphones (otherwise known as phablets), are already a growing trend in Asia, having outshipped notebooks and tablets last year. But now even larger devices, tablets of 7” screen sizes and above, are increasingly shipping with cellular voice capabilities, and such devices are getting more traction in the Asia/Pacific excluding Japan (APeJ) region, breaching the 25% mark in the second quarter of 2014, IDC finds.

About 13.8 million units of tablets were shipped in the APeJ region in Q2 2014, of which nearly 25% (around 3.5 million units) had voice calling over cellular networks as an option built-in to the device, according to IDC’s Worldwide Quarterly Tablet Tracker report. This translates to more than 60% growth on a year-on-year basis in unit terms for this category of tablets, which also incidentally happen to be 100% Android-based.

“Tablets that allow voice calls over cell networks have been around for a while now, as the first generation of Samsung Tabs did have that option, albeit



only activated through a Bluetooth headset,” said Avinash K. Sundaram, Senior Market Analyst of Client Devices team at IDC Asia/Pacific.

That said, this segment has seen a surge in terms of both shipments and vendors since the beginning of this year, with shipments reaching close to 50% by share of overall markets in some emerging countries, India and Indonesia being two great examples.

“This shift highlights the sustained interest among consumers, at least in emerging markets, to have a single mobile device for all their needs – be

it watching movies and soap operas, taking pictures, texting or making calls, even if the device has a huge 7” screen on it. It also helps that these devices are quite affordable, playing in the entry-to-mainstream price bands in most markets,” Sundaram added.

IDC believes this trend shift will continue to gain momentum, as these devices are addressing a real consumer need – a single converged mobile device that is also a great value for money. “For now, it does look like the Asian love for bigger screens is set to continue,” Sundaram concluded.

EDITORIAL REMARK:

The Ministry of Regional Development and Infrastructure of Georgia responded to the article published by FactCheck on 28 July 2014, in the newspaper “Financial.” The title of the article was „Zurab Melikishvili: “No matter what name you give it, Lazika or Anaklia, this project is suspended today.” The Ministry believes that an excerpt from the article „FactCheck requested copies of every recorded document about the Anaklia and Lazika ports from these Ministries, although we were unable to get replies“ implies that they intentionally refused to answer our request. FactCheck would like to clarify that the aforementioned excerpt only implies the nonexistence of the requested documents in the databases of the Ministries and not the lack of cooperation from their side. We would also like to add that the Ministry of Regional Development and Infrastructure of Georgia handles FactCheck’s requests of public information with exceptional responsibility and is always ready to cooperate.

The editorial group of FactCheck

World’s Fastest Growing Online Food Ordering Platform Testing Georgia

Continued from p. 6

the place from where the customer orders the food. On average though, the food delivery price is GEL 3-5.

“We thought that lunchtime would be the busiest time in terms of number of orders. But we have found that supertime is actually the busiest. This is due to people who do not know how to cook, are lazy about cooking, or are simply too tired after a hard day’s work and do not have the strength to cook. Therefore as a result of such reasons more people tend to order food via foodpanda for supper,” Kerkadze said.

Based on the “market place” model foodpanda creates preferable conditions for customers, restaurants and for itself.

“First of all let’s start with consumers. Foodpanda created a very convenient platform for them, where they can view a variety of different restaurants and foods and can select their preferred one. Also, they have information on not just the menu, but the prices as well. This means that they do not have to spend extra time search-

ing for different restaurants on the internet, calling them, finding out about their menus and prices, etc. Now they can just visit foodpanda’s website or mobile app and get all the information they need at one glance. Thus they can save time. If the customers do not like the service, they can complain about it and if the restaurant does not improve the quality of the service, foodpanda stops cooperation with them. At the beginning of its operations in the country, foodpanda had more partner restaurants in Georgia than it does now, but as the quality of some of the restaurants did not match up to foodpanda’s standards, the cooperation failed,” Kerkadze said.

“Our benefit is that we cooperate with well known and most successful local restaurants based on mutually profitable conditions. For restaurants this cooperation is profitable as they get new clients and increase their order numbers. We give them such a technological platform which would be very expensive for them to create on their own. I refer to the online platform - web and mobile application, which are designed in our head

office and are created in accordance with internationally high standards. The restaurants get more loyal customers as a result, because people have everyday contact with their food via foodpanda’s application. Accordingly, the number of the restaurants’ orders increases,” Kerkadze said.

foodpanda Georgia is a subsidiary of the German company Foodpanda GmbH. Its main offices are located in Berlin, where all other country branches are being coordinated from. The founder of foodpanda is the world’s leading internet incubator, Rocket Internet, which has over a 100 successful global online business ventures in its portfolio.





Nika Melia talked about projects which have been suspended in Tbilisi.

Lasha SENASHVILI
FactCheck

Nika Melia, Tbilisi mayoral candidate from the United National Movement, stated on Imedi TV on 23 May 2014 that since the Georgian Dream came into power, the construction of several significant infrastructural projects has been suspended. According to Melia, the current government suspended the construction of the Tbilisi bypass railway with an irrelevant argument. He noted further that 80% of the construction work on the bypass railway was already completed. Melia said that preserving the project was connected to additional funds to the tune of GEL 4-5 million. According to the information offered by the mayoral candidate, the construction of the highway bridge connecting Didube-Dighomi and the Maghlivi University campus metro station have also been suspended.

FactCheck took interest in the statement made by Nika Melia and verified it.

Tbilisi Bypass Railway
According to Georgian Railway's statement of 2 August 2010, the Tbilisi bypass railway project includes bypassing the central part of Tbilisi by means of a new railway line north of the Tbilisi Sea. The Georgian Railway project aims at reducing traffic congestion and developing the city. FactCheck wrote about the suspension of the Tbilisi bypass railway project before 2 August statement was made.

Georgian Railway's statement of 16 September 2013 noted that the project was financed only through funds attracted by Georgian Railway with no engagement of international financial institutions. According to the initial information (2010) published by Georgian Railway, the construction period for the new railway line was indicated to be three years. According to the 16 September 2013 statement, the contractor was obliged to complete the construction work before 8 July 2013 in accordance with the contract but this term was violated. The project was lagging behind by 18 months by the end of 2012.

The reasons for the suspension of the bypass railway project were explained in the following way: "According to the requirements of Georgia's current construction norms and rules, the project must be preceded by technical-economic justifications. Due to the fact that the technical and economic research was not implemented prior to the beginning of the construction of the Tbilisi bypass railway, Georgian Railway decided to purchase this type of research from MC Mobility Consultants GmbH. According to their research, the following negative factors were identified:

Railway capacity is reduced by 24%

Total expenses related to operating as well as maintenance are increased by 57%

Total expenses will increase from USD 126 million to USD 197 million over the next 11 years

The total length of railway track will increase to 48 kilometres and a total of 22 kilometres of access track will be added to the remaining stations (Didube and Tbilisi Central)

The locomotive yard needs to be increased by 26%

Annual maintenance and operating costs for the bypass railway will be increased to USD 12.2 million (+51% compared to the existing)

Operating cost of a train will increase by 35%

Operating cost of the infrastructure will increase by 31%

Maintenance cost of the infrastructure will increase by 73%

In addition, additional investments are necessary for the completion of the project which are not included in the budget of the current project. Moreover, according to Georgian Railway, as of 16 September 2013, USD 213 million was already spent within the current budget of the project. Approximately USD 137 is left for the completion of the project (without expected necessary additional investments).

The same statement emphasised ecologically sensitive places under the project and ecological risks identified as a result of the construction.

According to Giorgi Kvirikashvili, Minister of Economy, it was decided at a governmental meeting on 5 December 2013 that the Tbilisi bypass railway project will continue until 2016.

Based upon the aforementioned research, the Economic Council at the Prime Minister's Office made a decision the same day to extend the contract to the contractor for the construction of the Tbilisi bypass railway for a period of three years.

According to Koka Guntsadze, Chairman of the Supervisory Board of Georgian Railway, time will be spent on looking for a company qualified to implement various certain services required by Georgian Railway. Guntsadze stated: "During this time, Georgian Railway will look for a very qualified company which will be able to improve the technical and economic indicators in order to get a better – rather than a worse – railway so that annual operating as well as maintenance expenses are not increased and, most importantly, that the capacity of the railway is not limited."

Dachi Tsaguria, Head of the Press Office at Georgian Railway, noted that a three-year period is a sensible timeframe for improving the shortcomings identified as a part of the research process.

Transparency International Georgia has also worked on the issue of the Tbilisi bypass railway. The organisation's report analysed problematic issues related to the project: "Giorgi Zazashvili, who has been in charge of the bypass railway project at Georgian Railway since 2009, stated in his interview with Transparency International Georgia that, unfortunately, no research was conducted on the economic and commercial efficiency at the initial stage of selecting the railway route."

According to Giorgi Zazashvili, the current Tbilisi bypass railway project has two fundamental flaws: first, the length of the new railway line, which should be used for transferring heavy cargo in a mountainous area, will be doubled (from 32 kilometres to 62 kilometres) and second, its operation will require 'enormous' expenses. According to a report prepared by a consulting company at the request of Georgian Railway, operating expenses will increase from USD 126 million to USD 198 million over an 11 year period which equates to an increase of USD 6.5 million annually. In parallel, the new bypass line will decrease the capacity of the railway by 24%.

The problem which Georgian Railway is facing is that the bypass railway project is already in its implementation stage. Zazashvili stated the following: "Sixty-four percent of the project, instead of 80%, has already been implemented as President [Mikheil Saakashvili] stated. USD 213 million of the USD 300 million allocated for the project has already been spent. The suspension of the project at this late stage is not acceptable."

It should be noted that there are arguments in favour of the construction of the Tbilisi bypass railway as well. The June 2013 report of Mobility Con-

sultants noted that: "The new system should bring benefit in terms of security and protection of the environment. In particular, the city centre will have significantly less congestion. In addition, the implementation of more beneficial business and economic activity will be possible on the vacated territory after the relocation of the railway."

A statement by Georgian Railway, however, noted that it engaged the Ernst and Young audit company to determine the market value of the territory vacated as a result of the project which turned out to amount to USD 30 million which is 12 times less than the investment value of the construction of the project.

Accordingly, despite the fact that as a result of the relocation of the bypass railway a certain amount of space will be available, funds diverted from the privatisation will not eliminate economic damage resulting from the relocation of the bypass railway.

Akaki Jokhadze, Head of the Transport Department of Tbilisi City Hall, talked about different numbers in his interview with Transparency International Georgia. Jokhadze questioned the aforementioned calculations and stated that 150 hectares in total will be made available since the railway line is bordered by privately owned land and its development will be possible after the relocation of the railway. Moreover, he asserts that the market value of the available land is much more than the price named by Georgian Railway.

The market value of the territory made available after the relocation of the railway is not known to FactCheck at this stage as well as the economic benefit which will be brought as a result of moving the railway in the long run. However, we consider that the timely completion of the bypass railway and the availability of relevant space in the city centre will create a favourable environment for investments.

Of note is that the project is currently suspended. According to Giorgi Kvirikashvili, Minister of Economy, the decision was made to continue the construction of the bypass railway. However, Georgian Railway's statement of 16 September 2013 noted the suspension of the project but nothing about its continuation. It can be assumed, therefore, that by September 2013 the Government of Georgia and Georgian Railway had not decided whether or not the construction of the bypass railway would continue.

In order to acquire more information about the issue, FactCheck contacted Georgian Railway with a written request although Georgian Railway considered it inappropriate to answer our questions in written form and provided comments by telephone.

Nika Melia also talked about the additional expenses to the tune of GEL 4-5 million emanating as a result of the suspension of the project. In order to verify these figures, FactCheck contacted Dachi Tsaguria, Head of PR at Georgian Railway. According to him, as a result of negotiations between Georgian Railway and the contractor company (the joint enterprise of JSC 23rd Bureau Group of Chinese Railway and JSC Khidmsheni), it was decided that the contractor company will cover the conservation funds for the railway's construction. Tsaguria indicated that the exact amount of the conservation funds for the project is not known.

Construction of University Metro Station

FactCheck also verified a statement made by Nika Melia in which he talked about the suspension of the construction work of the University metro station.

The construction on the University metro station started in 1986 and should have finished in 1995; however, construction work was suspended in 1994 for an uncertain period of time. According to the story prepared by Panorama, a weekly television report, GEL 200,000 is being spent annually on conservation work.

The same report indicates that the majority of the work is being completed although hydro insulation and on-site work is necessary to be implemented.

Of note is the fact that the renewal of the work on the project was announced on 16 July 2013. Gigi Ugulava, former Mayor of Tbilisi, stated that Tbilisi City Hall finished its negotiations with the Asia Development Fund, signed a contract and announced a tender for starting the work. The Municipal Development Fund of Georgia, however, later announced a tender on 30 June 2014 for the beginning of the physical work.

FactCheck contacted Tbilisi City Hall in order to obtain information about this issue. According to details provided by City Hall, the Municipal Development Fund of Georgia is responsible for the implementation of the construction work on the University metro station although no work was implemented in the period 2003-2012.

Elguja Khokrishvili, former Head of the Municipal Development Fund of Georgia, stated on 1 April 2014 that the Municipal Development Fund successfully finished its negotiations regarding the construction of the University metro station with Tbilisi Metro and the Spanish company, Eurostudio. Khokrishvili added that the Asia Development Bank will cover a significant part of the construction costs of the station. The tender on the project was announced on 30 June 2014. Tbilisi City Hall and, in particular, Tbilisi Transport Company, were involved in the negotiations related to the station's construction. The construction project was approved and the tender was announced in agreement with Tbilisi Transport Company and the leadership of Tbilisi Metro. Eurostudio will supervise the work on the University metro station project.

FactCheck contacted the Municipal Development Fund of Georgia in this regard. According to the Fund, the preliminary project cost estimate is equal to EUR 37.56 million although the exact value will be determined after the company winning the

tender presents its price. A loan from the Asia Development Bank within the Sustainable Development of Urban Transport project will cover 82% of the cost of the metro station's construction. The Municipal Development Fund added that the beginning of the construction work is planned by the end of this year with the duration of the work set at 21 months. Preparation work for this project was underway in 2012-2013 with the Municipal Development Fund of Georgia.

Didube-Dighomi Connecting Bridge

According to the Ministry of Regional Development and Infrastructure, the construction of the bridge connecting Marshal Gelovani Avenue and Samtredia Street was planned in 2013. The project was to be funded by the Asia Development Bank with a value equal to GEL 80 million. The Asia Development Bank allocated GEL 62 million and the Government of Georgia allocated 12 million to cover the costs. Despite this, the Ministry of Regional Development and Infrastructure suspended the project. According to the Municipal Development Fund of Georgia, the aforementioned bridge will not be built following research which was conducted and determined that the construction of the bridge connecting the right and left banks will increase traffic congestion.

FactCheck contacted the Municipal Development Fund of Georgia and requested detailed information about the suspended project. The Fund made its decision on the suspension of the construction of the bridge on 2 February 2013 after the research results were disclosed. The research was conducted by the Spanish company JV Pedelta, S.L. and Advanced Logistics Group, S.A.

Information provided by the Municipal Development Fund of Georgia indicated that the construction of the aforementioned bridge connecting Marshal Gelovani Avenue and Samtredia Street was suspended due to the fact that the project intended to construct a 200-metre long high-tech bridge with cables and pylons (51 m). This type of construction would be a first for Georgia and, accordingly, domestic experience needed for this work does not exist. In addition, the annual operating cost for the bridge was approximately GEL 4 million which, according to the Fund, comprised a very high price.

The Municipal Development

Fund of Georgia indicated that there were some other reasons for the suspension of the project as well: possible ecological, urban and social threats; the extremely negative attitude of the population residing on Samtredia Street and legal problems related to the property itself.

According to Gigi Ugulava, former Mayor of Tbilisi, the arguments of the Ministry of Regional Development and Infrastructure are irrelevant and the project was, in fact, suspended with a political motivation. Tengiz Lakerbaia, Head of the Analytical Department at the Municipal Development Fund of Georgia, as well as Shota Murghulia, then Deputy Minister of Regional Development and Infrastructure, expressed their readiness in the case that Tbilisi City Hall presented an alternative bridge project which fell in agreement with the population.

In spite of this, the Municipal Development Fund does not plan to implement construction work at this stage in either the framework of the current project or within an alternative project.

Of interesting note is that architects have different opinions about the construction of the bridge connecting Marshal Gelovani Avenue and Samtredia Street. Architect Giga Batiashvili stated that the construction of the bridge is necessary for the normalisation of transport in Tbilisi although the location of the construction needs to be determined. He stated that the bridge should be constructed either near Sative or Laguna Vere. Batiashvili does not agree with the arguments provided by Tbilisi City Hall since he considers that the problem will be solved if unilateral traffic will be allowed along the river banks. He also added that the more bridges built, the better it will be for the city although he underlined that determining the exact location of the bridge is significant.

According to Davit Abuladze, Chairman of the Union of Architects, even building several bridges over the Mtkvari River cannot solve the traffic problem in Tbilisi. He does, however, agree with the idea of the construction of the bridge since he considers it unacceptable to lose the amount (GEL 80 million) assigned by the Asia Development Bank. Abuladze also questions the argumentation of the Municipal Development Fund since he considers that professionals in the relevant field are not working at the Fund.

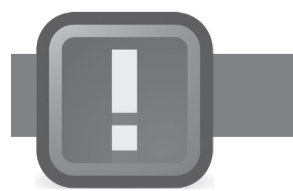
CONCLUSION

Looking into Nika Melia's statement, FactCheck found out that the Tbilisi bypass railway project, in fact, has been suspended. At this stage, it is being preserved for a three-year period which is connected to additional funds. According to Georgian Railway, expenditures resulting from preserving the project will be covered not by the state but by the contractor company.

Nika Melia is not correct in the part of his statement in which he talked about the percentage volume of work implemented because 64% of the work, and not 80%, has been done. Moreover, the Mobility Consultants report noted flaws and shortcomings in the construction. The absence of political will on the parts of the Government of Georgia and Georgian Railway for the continuation of the construction of the bypass railway is of note. Melia was right when he indicated that additional funds are necessary for preserving the bypass railway project.

The part of Nika Melia's statement where he talked about the construction of the University metro station is not accurate. The suspension of the station's construction cannot occur given the fact that construction work is not underway. The Municipal Development Fund of Georgia reached an agreement with Tbilisi Metro and the Spanish company, Eurostudio, on 1 April 2014 and announced a tender on the construction work on 30 June.

Despite the arguments by the Municipal Development Fund, Melia is overall correct when he talked about the suspension of the construction of the bridge connecting Marshal Gelovani Avenue and Samtredia Street. FactCheck concludes that Nika Melia's statement is **MOSTLY TRUE**.



MOSTLY TRUE

EUROPEAN
ENDOWMENT OF DEMOCRACY

G | M | F The German Marshall Fund
of the United States

STRENGTHENING TRANSATLANTIC COOPERATION

