

FactCheck



Aleksandre Elisashvili:



“Tbilisi City Hall cannot spend its money. GEL 140 million has not been spent and has been transferred to the balance.”

Valeri KVARATSKHELIA
FactCheck

A member of the Tbilisi Sakrebulo, Aleksandre Elisashvili, on air on Rustavi 2 TV, discussed the natural disaster which occurred in Tbilisi and stated: “City Hall cannot spend its money. GEL 140 million has not been spent and has been moved to the balance.”

FactCheck verified the accuracy of the statement.

Tbilisi's budget has recently been the subject of high public interest and discussion on multiple occasions. The bulk of the questions are directed toward shortcomings in the absorption of already approved assignments. As illustrated by Graph 1, throughout the whole of 2014 the use of allocated funds usually lagged behind the respective plan at the end of all four quarters.

This trend continued to exist in the first two quarters of 2015. The amount of absorbed

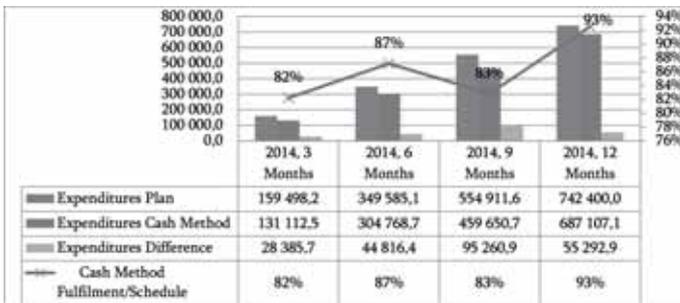
monetary means for the first six months of 2015 equals GEL 426 million, which is 88.2% of the total assignments envisaged in the plan. Therefore, in the part of expenditures, there is a GEL 57 million gap in the planned amount.

In regard to the balance of deposit accounts, according to the Budgetary Code of Georgia a balance is “a monetary means available in the accounts of relevant budgets for the corresponding period.” The balance of the budget account reached GEL 50.5 million at the beginning of 2014 whilst the maximum amount was registered at the end of June 2014 when the total amount of accumulated monetary means (balance) exceeded GEL 123 million. This fact was caused by the GEL 45 million gap in terms of planned expenditures, on the one hand, and by the excessive income of the budget by GEL 25.5 million, on the other. However, in the course of July 2014 the balance decreased drastically and fell to GEL 55.56 million whilst at the end of December it rose to GEL 68 million.

After the continuous decrease throughout the first quarter of 2015, the amount of monetary means accumulated in budgetary accounts as a balance at the beginning of April reached GEL 45.1 million. However, in the second quarter the balance rose by GEL 55.4 million and equalled GEL 100.5 million at the end of June. As a result, instead of a decrease of GEL 46.4 million as envisaged by the plan, the balance increased by GEL 32.4 million as compared to the beginning of 2015.

As illustrated by the budget fulfilment reports, the shared characteristics of the previous year and the first two quarters of 2015 comprise a surplus fulfilment of incomes, on the one hand, and a shortfall in the expenditures plan, on the other hand. Perhaps, the surplus amount of income together with the decrease in the amount of cash-fulfilled expenditures (as compared to the plan) causes the positive change. However, of note is the fact that “liberated” monetary means equals incomplete or slowly completed projects.

Graph 1: Expenditures 2014 (GEL Thousand)



CONCLUSION

AS ILLUSTRATED BY THE BUDGET FULFILMENT REPORTS FOR 2014 AND THE FIRST SIX MONTHS OF 2015, THERE HAS BEEN A CONSTANT LAGGING BEHIND IN THE EXPENDITURES PART OF THE TBILISI BUDGET FROM THE BEGINNING OF JANUARY 2014 TO JUNE 2015. THE 2014 BUDGET HAD A 93% FULFILMENT RATE IN THE EXPENDITURES PART. THIS TREND REMAINED THE SAME THROUGHOUT THE FIRST TWO QUARTERS OF 2015; ONLY 88.2% OF PLANNED ASSIGNMENTS HAVE BEEN ABSORBED IN THE FIRST SIX MONTHS OF THE YEAR. IN REGARD TO THE BALANCE ACCUMULATED IN THE ACCOUNTS OF THE TBILISI BUDGET, IT HAS NEVER REACHED GEL 140 MILLION, INCLUDING THE LATEST DATA OF JULY 2015. THE MAXIMUM AMOUNT OF THE BALANCE WAS REGISTERED AT THE END OF JUNE 2014 WHEN IT REACHED GEL 132 MILLION. THEREFORE, ALEKSANDRE ELISASHVILI RIGHTFULLY POINTED OUT THE SHORTCOMINGS WITH REGARD TO THE ABSORPTION OF ASSIGNMENTS AS ENVISAGED BY THE BUDGET BUT HIS NUMBER FOR THE AMOUNT OF THE BALANCE IN THE ACCOUNTS OF THE TBILISI BUDGET WAS INACCURATE. FACTCHECK CONCLUDES THAT ALEKSANDRE ELISASHVILI'S STATEMENT IS MOSTLY TRUE.

MOSTLY TRUE



EUROPEAN
ENDOWMENT FOR DEMOCRACY



The German Marshall Fund
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STRENGTHENING TRANSATLANTIC COOPERATION

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Borajet Airlines began flights to Batumi



Borajet Airlines began flights from Istanbul Sabiha Gökçen (SAW) on 4 September to Batumi (BUS). The seaside city of Batumi sits on Georgia's Black Sea coast and is the capital of Adjara, an autonomous republic in

the south-west of the country. The airline will operate services thrice-weekly, using its E190 and E195 fleet. There is currently no direct competition on the 1,032-kilometre airport pair, although Turkish Airlines does offer a daily service on the city pair, but oper-

ated from its Istanbul Atatürk hub. Passengers on the inaugural Borajet Airlines flight between Istanbul Sabiha Gökçen and Batumi were welcomed with a cocktail at the terminal in Georgia, and treated a special celebration cake.

The winners of Saba 2015 were revealed

On September 7, at the award ceremony held in Chateau of Mukhranbatoni the winners of year 2015 of the annual literary competition Saba were revealed. Best books and authors of the year were revealed in the following nominations:

- Best literary debut** – Giorgi Tsiklauri, Translation of Peter Ackroyd's London (publishing house Azri);
- Best literary critique** – Malkhaz kharbedia, Text and Truth, (publishing house Azri);
- Best essay and documentary prose** – Irakli Makhmaradze, The Great Dumb (Bakur Sulakauri Publishing);
- Best translation** – Khatusna Tskhadadze – Umbreco Eco, The Prague Cemetery (publishing house Diogene);
- Lela Dumbadze** - Virginia Woolf, To The Lighthouse (Bakur Sulakauri Publishing);
- Best play** – the jury decided not to grant a prize in this nomination in 2015. With their decision, the prize devoted for the “best translation” nomination was not canceled, instead two winners were revealed in the “best translation” nomination;
- Best collection of short stories** – Gogi Chagelishvili, Painter (publishing house Intellect);
- Best collection of poems** – Paata Shamugia Schizociety (publishing house Intellect);
- Best novel** – Abo Iashagashvili, „Royal Merry” (publishing house Diogene);
- Best foreign translation of Georgian literary work** – Christine Lichten-



field, Novel by Otar Chiladze, A Man on the Road, translation into German language.

Prize for special contribution to the development of literature - Besik Kharanauli. The winners were awarded with Saba prizes and solid monetary prizes. This year's Saba Award Ceremony was held in historic Chateau of Mukhranbatoni, located in Mtskheta region, in Mukhrani village.

The names of the jury members were also revealed at the ceremony. This information was traditionally kept confidential during the competition. 5-member jury changes annually and it includes literature specialists, writers, winners of previous Saba competitions. The members of this year's jury were: Zurab Kiknadze, Kety Kantaria, Levan Berdzhenishvili, Zviad Ra-

field, and Davit Turashvili. 315 works of different authors were submitted to this year's competition. 46 of them were selected for the final stage by the jury. Winners were revealed from this latter list at the award ceremony.

Saba award ceremony was aired live on Imedi TV. Musical support of the event was provided by Tbilisi Symphonic Orchestra headed by Vato Kakhidze. Famous young Georgian soloists participated in the special musical program.

Literary prize Saba 2003 was founded by TBC Bank and Pen Centre in 2003. In 13 competitions held up to now, 115 monetary prizes - totaling almost GEL 450 000 - were awarded. Among other authors, the laureates of Saba are Tchabua Amirejibi, Anna Kalandadze, Vakhushiti Koteishvili, Guram Doghanashvili and others.

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Did you know?



Invitation to Participate in the Sales Procedures Announced by the Embassy of the Republic of France in Georgia on the Sale of 3933 sq/m Land Plot Located in the Center of Tbilisi

The Embassy of the Republic of France in Georgia has announced a Sales Procedures on the sale of land plot located adjacent to the Rustaveli Avenue at 4 Khazina St., Tbilisi, Georgia. The land plot has the following characteristics: cadastral code – 01.15.04.007.010; total area of the land plot - 3933 sq/m. The land plot qualifies as type 2 recreational zone with the following coefficients: K1= [0,2], K2=[undefined] and K3=[Undefined].

Please, take into account that the Sales Procedures will be conducted in accordance with the Rules for Submission of Offers available on the web-page of the Embassy: ambafrance-ge.org, or by e-mail request at contact.tbilissi-amba@diplomatie.gouv.fr. The interested Parties shall submit their Expression of Interest in a form and to the addressee(s) envisaged in the Rules for Submission of Offers..

In case of additional questions, please, contact [the consul or his representative] at the following e-mail [contact.tbilissi-amba@diplomatie.gouv.fr] or call at [(00 995 32) 272 14 90] from Monday to Friday from 9:30 AM till 12:30 PM.

The Expression of Interest shall be submitted to the Contact Person indicated above no later than 15th of October 2015.

Russians the Most Affected by Crimes against Foreigners in Georgia

Continued from p. 4

63 Turks were accused and found guilty of an act of crime in Georgia during the first six months of the current year. Turkey is followed by Armenia - with 39; Russia - 39; Azerbaijan - 37; Uzbekistan - 13; Iran - 7; Israel - 6; China - 6; Iraq - 5; Ukraine - 4; the USA - 2; Bangladesh, Bulgaria, India, Nigeria and Greece - 2 each per country; and the UAE, New Zealand, Belarus, the UK, Egypt, Estonia, Turkmenistan, Lebanon, Mexico, Moldova, Pakistan, Poland and France - 1 per country. Since 2012, Turkey has

been leading the list of the top ten countries whose citizens have committed crimes in Georgia. From 2012 (including the first half of 2015) the number of cases of a crime committed by Turks in Georgia has totalled 254. It is followed by those from Russia - 138 cases; Azerbaijan - 123; Armenia - 117; Iran - 57; Bangladesh - 21; India - 15; Uzbekistan - 35; Ukraine - 21; and Nigeria - 13.

According to the data of the Georgian National Tourism Administration, Georgia hosted 3,922,376 international visitors during the first eight months of 2015. The number is 219,699 (or 6%) more than

the figure from the same period of the previous year. With a total of 944,029 visitors to Georgia, Armenians make up the majority of foreign travelers in Georgia. They are followed by Azerbaijanis, Turks and Russians.



Zurab Japaridze:

“Every economic indicator has worsened this year.”

Mostly true

Zviad KHORGUASHVILI
FactCheck

On 17 July 2015, a member of the Parliamentary Minority, Zurab Japaridze, stated that practically every economic indicator has worsened in Georgia in 2015.

FactCheck took interest in the accuracy of the statement. The following comprise principal economic indicators:

- GDP Growth Rate
- Foreign Trade (external and internal)
- Foreign Direct Investments
- Currency Exchange Rate
- Inflation Rate
- Unemployment
- National Debt

In 2004-2012, the average economic growth rate was 6.24%. In 2013, it dropped to 3.3% whilst in 2014 it reached 4.8%. Throughout 2015, the GDP growth rate continued to fall and the average growth rate for the first five months was 2.5%.

The indicators of trade also worsened over the course of 2015. The volume of import for the first six months decreased by 8.8% as compared to the import volume of the first six months of 2014. The volume of export has decreased even further. In the first six months of 2015, Georgia registered a 24% decline in exports.

The volume of foreign direct investments (FDI) needs to be mentioned among the list of economic indicators. After 2012, foreign direct investments exhibited an upward trend. However, in

the first quarter of 2015 the volume of FDI decreased as compared to the first quarter of 2014 and hit the last five years' minimum.

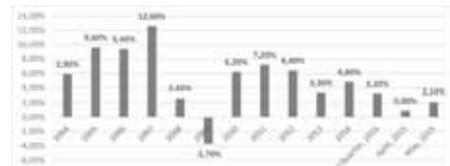
In November 2014, GEL started to depreciate against USD. In the course of the last eight months GEL has dropped by 27% against USD.

The rate of inflation has also increased during the last few years. The rate of inflation was 2% in 2011 and 1.4%

by 2.2% as compared to the previous year and stands at 12.4%.

In the period of 2004-2007, Georgia's national debt was decreasing. However, after 2007, the country's national debt has been growing annually. Additionally, the debt-to-GDP ratio is an important indicator to take into consideration when discussing the national debt. In 2013-2014, Georgia's debt-to-GDP ratio

Graph 1: Georgia's Economic Growth in 2004-2015

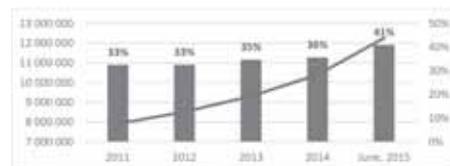


Source: National Statistics Office of Georgia

in 2012 whilst in the course of the last three years the rate of inflation has grown and reached 4.5% in 2015.

According to the official statistical data, the rate of unemployment, which is also an integral component of the list of basic economic indicators, decreased. In 2014, the rate of unemployment decreased

increased from 35% to 36%. In 2015, due to the depreciation of GEL, the national debt increased substantially. As of June 2015, Georgia's national debt is GEL 11.6 billion which constitutes a 19.1% growth as compared to June 2014. The debt-to-GDP ratio is now at 41%.



Source: Ministry of Finance of Georgia

CONCLUSION

IN 2014-2015, THE BASIC ECONOMIC INDICATORS WORSENERD FOR THE MOST PART. GEORGIA'S ECONOMIC GROWTH RATE DECREASED ALONGSIDE EXPORT AND IMPORT. ADDITIONALLY, FOREIGN DIRECT INVESTMENTS ALSO DROPPED IN THE FIRST QUARTER OF 2015. SINCE NOVEMBER 2014 UNTIL JULY 2015, GEL DEPRECIATED AGAINST USD BY 27%. THE INFLATION RATE ALSO ROSE AND AT THE END OF JUNE 2015 IT WAS 4.5% HIGHER THAN IT WAS IN JUNE 2014. THE UNEMPLOYMENT RATE IS THE ONLY ECONOMIC INDICATOR WHICH IMPROVED ACCORDING TO OFFICIAL STATISTICS. IN 2014, THE UNEMPLOYMENT RATE DECREASED FROM 14.6% TO 12.4%. CONSIDERING ALL OF THE AFOREMENTIONED INFORMATION, ZURAB JAPARIDZE'S STATEMENT IS MOSTLY TRUE.

MOSTLY TRUE



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USD VS GEL

