



Eastern Promotions and TBC Status Present 13th Black Sea Jazz Festival

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New CEO of Georgia's Flag Carrier

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9 July, 2019

News Making Money

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From Distribution to Market Leader Company: 25 Years of PSP at a Glance of Success

The FINANCIAL

The Georgian medical company PSP Group is proud to be celebrating 25 years as Georgia's leading company in the pharmaceutical market. "For 25 years PSP has been offering only guaranteed quality products and services to Georgian customers. From the very beginning PSP has been offering customer-oriented solutions and bringing world trends to the country. It is

that which has made PSP so popular," Director of the Pharmaceutical Company PSP Group, Gocha Gogilashvili.

PSP started its activities in 1994 and its first appearance on the Georgian pharmaceutical market was related to distribution. Initially, the distribution company PSP Implementation Centre was created, which became the first official distributor of European medicines in Georgia.

Continued on p. 6

URBAN GARDEN, Here It takes just a month to change yourself

By GELA MEGENEISH-VILI

As the arrival of the hot summer days, developing an appealing figure has become a task on many checklists. URBAN GARDEN opened for two years, for now, has already

been established as a hub for amateur and professional athletes. The FINANCIAL reached out to the training facility where in the barrage of questions Nika Khupashvili, the professional trainer at URBAN GARDEN covered many topics related to a healthy lifestyle.

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By 2015, 50% of energy consumption worldwide will be electricity

Less gasoline, more digitization are accelerating the countdown to a new energy world faster than expected

The FINANCIAL

Renewable energy technology advances, innovation in storage and digitization and increased distributed energy generation are accelerating the pace of the global energy transition, according to the latest EY research

in collaboration with IDC, a leading global analyst house.

A year ago, EY teams and IDC mapped the major drivers to determine when three tipping points would forever change the way utilities do business and set the industry on a countdown to reinvention.

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How should the Gambling Industry be Regulated in Georgia?

The FINANCIAL

The modern, stylish and top-service gambling facility in Georgia, Shangri La Casino Tbilisi, is continuing to establish and provide international gambling standards along with excellent service and security in Georgia.

Besides offering the best casino experience, Shangri La Casino Tbilisi is an impressive contributor to the Georgian economy as one of the largest taxpayers in the country.

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Georgian Beer Company to Offer New Irish Beers and Flavoured Waters in 2019

The FINANCIAL

Georgian Beer Company, brewer and supplier of soft drinks, is increasing its portfolio of alcoholic and non-alcoholic beverages with new Irish beers of the Guinness brands Harp and Kilkenny, and the first flavoured waters on the Georgian market.

"We have already signed an agreement with Guinness to start producing Harp and Kilkenny in Georgia. Everyone knows that Harp is a premium segment brand with high standard technologies and quality. We are proud to have the right to brew this beer in Georgia," said Georgian Beer Company's Director Kakhaber Kotrikadze.

"As for Kilkenny, it has

different characteristics as a beer. It is a nitrogenated Irish cream ale from the makers of Guinness, which originated in Kilkenny, Ireland. But this brand is also oriented on high quality," he added.

As Kotrikadze stated, customers can already find Harp beer at certain locations on the market.

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	July 7	June 21
1 USD	2.8012 ▼	2.7798
1 EUR	3.1547 ▼	3.1406
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20.07 dj set: DJ Francis & MC Bluey (UK) 33660

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TBC STATUS

2019
BLACK SEA JAZZ

ISSN 1512 3642

9 771512 364003

THE FINANCIAL

9 July, 2019

ISSUE: 27 (661)

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Prices in GEL

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Terma Providing Service in Georgia's HVAC Sector for 22 Years

The FINANCIAL

The number one brand for heating, ventilation and air conditioning in Georgia 'Terma' has been providing "reliable, quality and customer-oriented" service in the HVAC sphere on the Georgian market for 22 years already, according to Giorgi Machitidze, founder of Terma. "We offer our customers the latest products of our partner companies, such as Mitsubishi Electric, Gree, Wolf, and others, so we provide comfortable and energy-efficient solutions in Georgia," he said. The year 2018 was significant and at the same time challenging for Terma as the company completed sectoral transition from HVAC to MEP. MEP stands for mechanical, electrical and plumbing. It refers to these aspects of building design and construction. In commercial buildings, these aspects are designed by an engineering firm specializing in MEP. HVAC stands for heating, ventilation and air conditioning. It is used to provide heating and cooling services.

"This was the most important strategic change that we started in 2017 and completed in 2018. It is the most important concept in our industry and means that we will be perfectly ready for large projects and will not be limited to only heating, ventilation, and conditioning. Providing water supply, fire safety and any other service defined by the project is now a standard opportunity for Terma," said Machitidze. Also last year Terma worked on a commercial transformation and renewed its showroom. "We served many international projects last year and raised awareness of Terma on foreign markets," Machitidze said. Terma is one of the most successful companies on the Georgian market, which has been named the number one brand in Georgia in the field of heating, ventilation and air conditioning for the second time in a row. About 2,000 surveyed customers and over 100 experts named Terma the number one company and it is thanks to them that the company got its second Golden Brand award this year. "Terma has been operating on the

Georgian market for 22 years. It was one of the first brands in Georgia to be associated with complex projects of the HVAC sector. We are proud to receive Golden Brand, and this award was timely because we have been very active in different directions since 2017. In terms of branding we've created a seasonal standard, which is kind of an innovation for Georgian marketing," Machitidze said. Terma started operations on the Georgian market in 1997 as a limited liability company, while in 2007 it was transformed into a joint stock company. During this period Terma served hundreds of the largest projects and thousands of individual customers. Among the recent projects implemented by Terma are the Museum of illusions of Tbilisi; Schirnhofen Factory; the renewed centre of Mercedes-Benz; and the Holiday Inn Telavi hotel. "Currently we are working on the Meat Product Factory in Vake, the Krtsanisi Villa Residence, and many others," said Machitidze.

Q. Terma was going to gradually integrate solar systems into its portfolio. What are the developments in this regard?

A. We are trying to integrate

solar systems into our portfolio, however we see that the Georgian market is not active in this direction. As of yet there is not enough awareness of these technologies among consumers, but we hope that interest will gradually increase.

Q. How competitive is the Georgian market and what is Terma's competitive advantage?

A. There has been a boom of commercial construction in Georgia and especially in the capital, Tbilisi. A number of residential complexes are under construction as well as office-commercial buildings, business centres and hotels. All these units need proper service.

Since the construction industry has exponentially grown, our sector is growing as well. According to the principles of the economy, the level of competition is also growing.

Overall this is a very useful trend because it drives our company to do more and more and be leaders of the market. It is bad that some organizations use the method of dumping (a kind of predatory pricing) and thus degrade the average quality, however two decades of doing business have taught us that success primarily comes from innovation and proper regulation of the price-quality-technology combination.

Q. What are the challenges that Terma faces on the market?

A. The year 2018 was full of challenges and as I already mentioned, it was related to the sectoral transition from the HVAC to MEP.

We have an ambition to develop our own production and last year we started activities in this direction.

We have successfully served the largest projects and overall we are satisfied with our activities of 2018.

Also, last year sales in the individual segment increased by about 15-20 percent while in the corporate segment they increased by 50 percent.

World's population is projected to nearly stop growing by the end of the century

The FINANCIAL – World population growth is projected to flatten in coming decades. For the first time in modern history, the world's population is expected to virtually stop growing by the end of this century, due in large part to falling global fertility rates, according to a Pew Research Center analysis of new data from the United Nations.

By 2100, the world's population is projected to reach approximately 10.9 billion, with annual growth of less than 0.1% – a steep decline from the current rate. Between 1950 and today, the world's

population grew between 1% and 2% each year, with the number of people rising from 2.5 billion to more than 7.7 billion.

Global fertility is falling as the world is aging. The global fertility rate is expected to be 1.9 births per woman by 2100, down from 2.5 today. The rate is projected to fall below the replacement fertility rate (2.1 births per woman) by 2070. The replacement fertility rate is the number of births per woman needed to maintain a population's size.

The world's median age is expected to increase to 42 in 2100, up from the current 31 – and from 24 in 1950. Between 2020 and 2100, the number of people ages 80 and older is expected to increase from 146 million to 881 million. Starting in 2073, there are projected to be more people ages 65 and older than under age 15 – the first time this will be the case. Contributing factors to the rise in the median age are the increase in life expectancy and falling fertility rates.

Africa is the only world region

projected to have strong population growth for the rest of this century. Between 2020 and 2100, Africa's population is expected to increase from 1.3 billion to 4.3 billion. Projections show these gains will come mostly in sub-Saharan Africa, which is expected to more than triple in population by 2100. The regions that include the United States and Canada (Northern America) and Australia and New Zealand (Oceania) are projected to grow throughout the rest of the century, too, but at slower rates than Africa.

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July, the legendary British band Incognito will close the festival. DJ Machaidze is the official DJ of the 13th Black Sea Jazz Festival. Tickets to the 13th Jazz Festival have been available online at TKT.ge since 3 June. For customers of TBC Status a 20% discount will be available for online and booking-office purchases.

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financial news

New CEO of Georgia's Flag Carrier

Gela MEGENEISHVILI

Roman Bokeria worked in various positions in the private sector as well as public institutions in the United States. He graduated from St. Petersburg State University of the Faculty of World Economics and Banking (1992-1996). He continued his studies at the Tbilisi State University in Business Law (1997-2003). In 2008-2010 he attained higher education at the University of Tampa in Florida, John H. Cisco Business College. He was awarded Master of Business Administration, MBA Finance and Investments. At the same University in parallel he was a graduate assistant of the Information Technology and Financial Department. After relocating to his home country, Georgian Airways, flag carrier of Georgia recently appointed Roman Bokeria their CEO. After relocating to his home country, Georgian Airways recently appointed Roman Bokeria their CEO. Glossy reached out to him, interviewing him on his vision for the company and much more.

Q. What does it feel like to be leading one of the major airline companies in Georgia?

A. Leading the national air travel company "Georgian Airways" as CEO is an honour and a privilege. The company stands as part of our national identity. As tourism has become the leading income source of the economy, Georgian Airways has been established as a Georgian air travel embassy. The introduction to the country's culture begins from the very first step aboard our aircrafts.

Q. How can we compare Georgian air travel standards to those of the rest of the world?

A. Georgian Airways has 25 years of experience and has always been achieving the highest standards the global industry had to offer. Currently, holding 12% percent of the Georgian market share and successful competition against the very best the world has to offer highlights the company's power. Last year our team achieved 34% annual growth. Unfortunately, the beginning of my leadership has coincided with Vladimir Putin's restriction against air communication as of 8 July, however, the survival instincts of Georgian Airways have not dulled yet! The management has a number of options for diversifying flights to European cities and some new destinations. In close cooperation with the Georgian Government and Georgian businesses, we will use the challenge as an opportunity to explore distinct destinations. Born in Sukhumi, Abkhazia, following my graduation from secondary school, we left our home as refugees. The occupation and the political environment left us permanently scarred, but I have always believed that whatever does not kill us makes us stronger.

Q. As the new CEO, can you elaborate on your vision for



the company?

A. I feel that we have a tremendous opportunity for growth and development. Simultaneously, the increasing popularity of Georgia significantly empowers the role of Georgian Airways. I feel a huge responsibility to fulfil my personal expectations and make the company the regional leader of the airline industry.

Q. How would you estimate the strategic location of Georgia in terms of air travel?

A. Our nation has been blessed with a strategic geopolitical location in the Caucasus region. We are the gates between Asia, Europe, Russia and the Middle East. We share the Silk Road that has been developed as a Silk Air Way trade belt. China is considering Georgia a strategic partner for cargo shipments from China to Georgia and from Georgia to Europe, Russia, Africa and the Middle East. In this regard, we are negotiating on creating a cargo shipment hub in Georgia. I would like to thank David Saganelidze, the CEO of the Partnership Fund, for granting opportunities to collaborate with Chinese partners. The activities again highlight the natural geopolitical advantage that creates

phenomenal opportunities on an international scale.

Q. Are there any Georgian-specific consumer trends that you have picked up on?

A. Our blessed nation has several unique trends like its winery culture, healing mineral waters, amazing cuisine, breathtaking nature, fabulous culture and phenomenal history. Georgian Airways thrives to become an ambassador of Georgian trends. I'm trying to convince the Georgian Government to advertise tourism through Georgian Airways. The national budget and government funds have hundreds of millions of dollars being invested in the popularization of Georgian trends and attracting tourists as well as foreign investors to Georgia. In that regard, our national air company naturally has a unique position to deliver that magical first-time experience of Georgian wine, mineral water, food, nature, culture and history from the first step onboard Georgian Airways. We need to remember the American saying – "You never get a second chance to make a first impression". Thus, the first impression is our national air company that bears the Georgian flag and delivers guests to Georgia. Therefore,

the Government needs to contribute to Georgian Airways' brand awareness and quality of services as a first impression for foreign tourists and business partners. We need strong, mutually beneficial collaboration with the Ministry of Economy, Ministry of Finance as well as with the Georgian business sector too.

Q. What are the main traits that Georgian consumers seek in a decent flight, and how does Georgian Airways adopt those?

A. Georgian Airways' priority is first of all the top-level safety of its flights and the professionalism of its pilots & crew. Also, better prices, better food, better plane, better service, etc. However, I would like to use that opportunity and address Georgian consumers, similar to how my favourite U.S. president J.F. Kennedy addressed the American nation. "My fellow Georgians, just once, ask not what Georgian Airways can do for you, ask what you can do for your country's national air company that is the face of your nation and delivers the first impression to each and every foreign tourist, partner, guest and investor. How can each of you contribute to the creation of national brand Georgian Airways as the pride and symbol of the great Georgia?" We Georgians need to fully comprehend that our country, our air company, all nationally branded companies, all of our economy, nature, culture and history belongs to each of us and we need to participate in its creation and development as we want to see it and as we would like others to experience our beautiful Georgia.

Q. Tell us about your family and the decision you made to relocate to Georgia.

A. Honestly, I was not planning to relocate to Georgia. I was Deputy Auditor General of Georgia from 2000 to 2007 and moved to the United States because of disagreements with the previous government. For the last 12 years I lived in America, working for different U.S. Government audit institutions. Afterwards, I graduated from the University of Tampa, Sykes Business School and earned an MBA academic degree in Finance and Investments. Moving to Miami I became a successful businessman in the Mortgage, Real Estate, Development and Business Brokerage industries. I am also an active member of the United States Republican party and contributed to the election of Mr. Trump as President of the United States. Unfortunately, my father passed away and as a result I came back to Georgia in February 2019. After 12 years absent, something clicked in my soul and I start to feel the desire to stay in my home country and contrib-

ute to the growth and development of my magical & blessed nation of Georgia. My wife, Victoria Bokeria, moved with me to Tbilisi and is now President of "Georgian Business Brokerage". She is a "Shark" Business Broker; buying & selling actual, active Georgian businesses for most foreign buyers and inventors. Also, she is advertising actual working American businesses for sale for Georgian and regional buyers who wish to buy a working business in America and get full family immigration through E2 Visa.

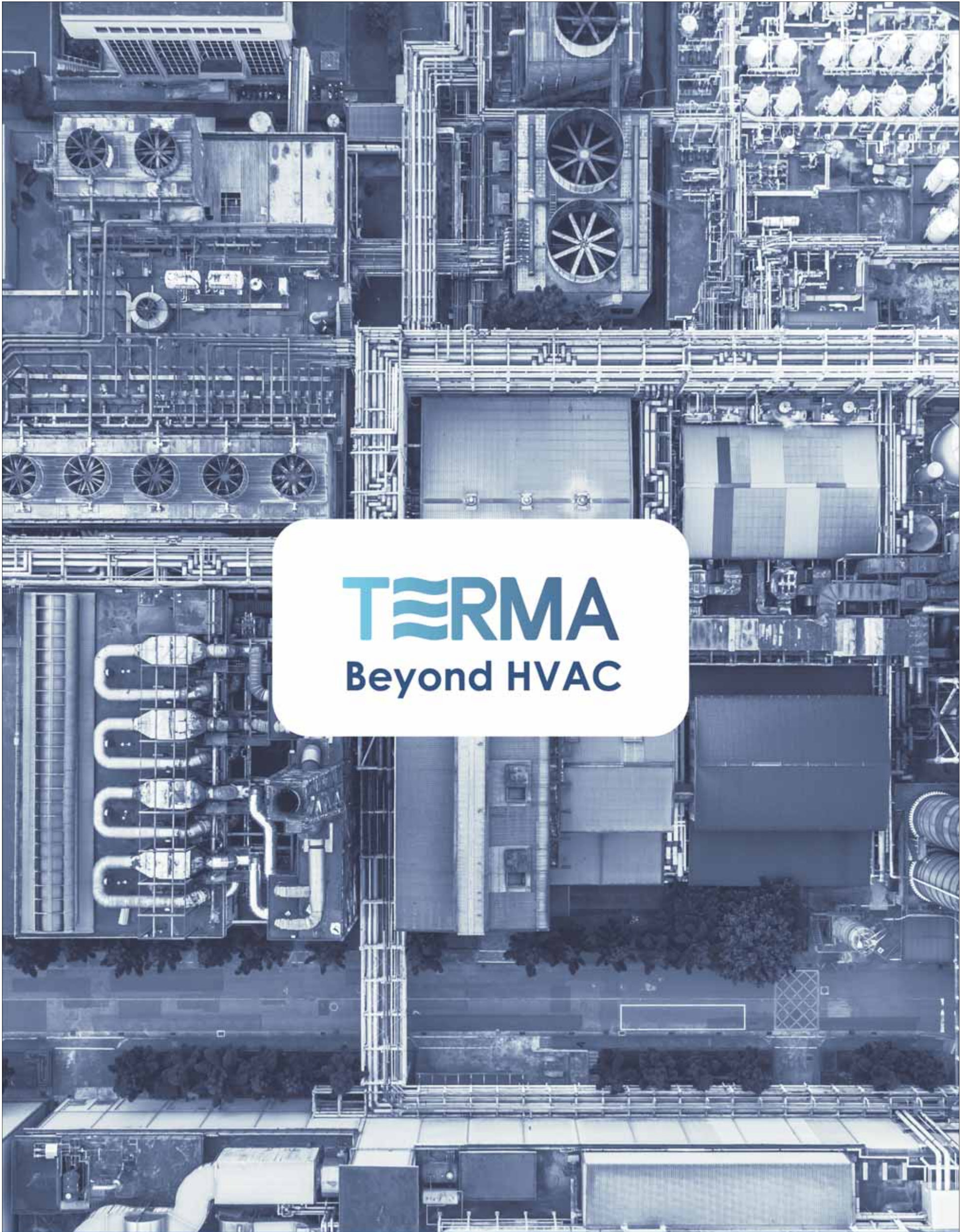
Q. Are there any things about the United States that you miss in particular?

A. I'm currently residing between the U.S and Georgia. Ownership of businesses always enables me to return, however I strongly believe I have reached my full potential in the U.S. Now it's time to contribute to making Georgia great again. In the modern world, economy, finance and international business projects are deciding the fate of our nation. The modern Didgori is the battle to overcome Georgian economic obstacles. International corporations have often taken advantage of the lack of professionalism and experience from the Georgian side. I believe currently, in some Georgian industries we have international agreements with foreign companies that have betrayed Georgia's national strategic interests and unjustly enrich the foreign partners. Such cases remind me of the 'white man' arriving in native American Indians' land and trading European junk for American Indians' gold. That's why I feel that my country needs me to unite highly-educated professional patriots of Georgia in order to protect our national strategic economic & business interests, and to make Georgia great again. I graduated from Saint Petersburg State University and was awarded an academic degree in International Economics. I was working as Stock Exchange Broker at Saint Petersburg Stock Exchange. After I moved to Tbilisi I graduated from Law School, earning a degree in law. In Georgia, I was working as Deputy Auditor General of Georgia and was conducting reforms in the financial & auditing sector of Georgia's incorporation with the U.S. Government Accounting Office as well as with the Court of Auditors of the European Union. In 2007 I relocated to America and was working for the U.S. Government; graduating from Business School with an MBA academic degree; I worked for ten years in the business sector of the United State economy. Finally, after 12 years, I'm back to serve my country with all my education, work experience, connections and unconditional love for my nation and blessed country, Georgia!

Q. You have also contributed to the presidential campaign of Donald Trump. How was it like?

My political views have always been leaning towards the Republican party, as in fact, I have been a member of it for quite some time. I was actively contributing into the 2016 presidential campaign and transformed my Miami office into the campaign office in order to spread the word around the state of Florida, which has greatly contributed onto the success in the state. I have been receiving the annual gratitude letter from Mr President. Mr Trump has very positive feelings towards Georgian Airways, and there are many tangible and intangible benefits with having such a powerful ally.

First published in GLOSSY magazine.



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From Distribution to Market Leader Company: 25 Years of PSP at a Glance of Success

The FINANCIAL

The Georgian medical company PSP Group is proud to be celebrating 25 years as Georgia's leading company in the pharmaceutical market. "For 25 years PSP has been offering only guaranteed quality products and services to Georgian customers. From the very beginning PSP has been offering customer-oriented solutions and bringing world trends to the country. It is that which has made PSP so popular," Director of the Pharmaceutical Company PSP Group, Gocha Gogilashvili.

PSP started its activities in 1994 and its first appearance on the Georgian pharmaceutical market was related to distribution. Initially, the distribution company PSP Implementation Centre was created, which became the first official distributor of European medicines in Georgia.

Step by step the company expanded its assortment with medical cosmetics, hygiene care, children's nutrition and skin care products.

"Medical cosmetics from France, Germany and other European countries have become most popular in Georgia. Expansion of its assortment; completion of the network's rebranding; and offering innovative products and services – are still the main priorities for PSP after 25 years," Gogilashvili said.

To note, the name of the company – PSP – is an abbreviation of the Latin expression 'Paula-tim Summa Petuntur', which in English means 'step-by-step to the peak'. And the company constantly strives to justify the main idea behind its name.

"It was one of the first companies in Georgia to appear on the market with its own logo, and today PSP's logo is synonymous with high-quality products and service," said Gogilashvili.

Today, 224 PSP stores serve over 2.2 million customers monthly, offering about 30,000 medical, parapharmic, hygiene and cosmetic products at the lowest prices for customers, including some European brands that are exclusively sold at PSP.



PSP rebranded its network throughout Georgia following a new concept designed by British experts, that has no analogue, neither on the Georgian market nor in any post-Soviet Union country.

The first new concept store of PSP's was opened in May 2016. The renewed PSP has three zones: beauty, health, and family care zones.

The beauty zone is pink-coloured and offers the highest quality beauty products from French and other European producer companies. The family care zone is painted yellow and is attractive for those with children, while the health zone is full of pharmaceutical products and is painted green.

With this rebranding PSP introduced a new concept – 'more than a pharmacy'.

"As of today, the majority of PSP stores are already rebranded and I think we will complete this process by the end of this year. This year alone we have already opened 16 new pharmacy branches and plan to open six more in the nearest future," said Gogilashvili.

For the PSP pharmacy chain's 2016 rebranding campaign PSP Group received an award from the Stevie Awards, the world's

premier business awards.

In 2000 the company started drug production within its daughter company GMP, which produces over 150 sorts of medicaments. Medicines produced in Georgia are already exported to 11 countries.

PSP currently holds a 30 percent share of the Georgian market. Sales of PSP products increased by 9% in 2018 compared to 2017.

In recognition of its successful and innovative activities PSP won its 14th Golden Brand at the 14th awards ceremony, meaning that PSP has never let the award go to any other company operating in the same field.

Q. PSP customers can use its 'My Family Card', which is an accumulative points card. How is the number of card holders increasing every year?

A. This is one of the most popular cards. Like all other projects of PSP's, My Family Card is also in the process of constant development. At first, 12 years ago when the card was originally introduced, customers were accumulating 'smiles' per every item purchased at any pharmacy of PSP, and with these 'smiles' they could choose any gift from the catalogue. One year later cardholders were able to participate in a lottery. During these past 11 years 23 lotter-

ies have revealed 150 lucky winners. 48 of them have received a brand new car; four of them – GEL 25,000; 10 of them – a GEL 2,000 salary for one year; and 11 – received flats. Also, 153 families received gifts from PSP and 2 winners of GEL1,000 per month during next 10 years.

My Family Card has acquired a new function and become a discount card too. Besides the accumulation of smiles, owners can get a six percent discount on any product at any store of PSP. With all these opportunities it has become a card of unprecedented popularity on the Georgian market.

Here I will add that one of the most innovative products of PSP is also its online pharmacy, which enables customers to buy online all the products that are available at PSP stores.

Q. What makes PSP a distinguished pharmacy network and what is its competitive advantage?

A. During these 25 years PSP has been established as a company that offers quality products and services.

The pharmaceutical market has always been very competitive. Health and beauty care is important for everyone. People choose to go for not only products and services, but also for innovations and offers. PSP offers discount days on Tuesdays, Wednesdays and Fridays; during the first week of every month there are special discounts and gifts for French cosmetics; and during the 'Month of Children', we hold special offers periodically for children's products, seasonal medicines and those that are in high demand, etc. All of this has resulted in increased customer interest.

Q. What are the challenges that your business is facing currently?

A. The PSP pharmacy network literally covers the whole territory of Georgia, which is an important factor in terms of growth of geographical access for the population, but it is not enough. As pricing policy is always of the highest importance to people, we work on a daily basis with suppliers to reduce prices.

In addition, we to make special and practical offers for seasonal medicines.

Our strategy is the stable development of the company and the field, customer-oriented offers, prices, campaigns, products and activities.

Interview is part of Golden Brand Awards program.

EU Residents in Social Networks

The FINANCIAL -- In the EU, 56% of people aged 16-74 participated in social networks in 2018.

EU's social network participation rate has steadily increased since the beginning of the data collection (38% in 2011). Social network participation includes activities such as creating a user profile, posting messages or other contributions to social networks.

Among EU Member States, the social network participation rate was highest in Denmark (79%), ahead of Belgium (73%), Sweden and the United Kingdom (70%).

At the opposite end of the scale, this share was below 50% in three Member States: France (42%), Italy (46%) and Slovenia (49%).

Among younger people aged 16 to 24 years, almost 9 in 10 people in the EU participated in social networks (88%). This share ranged from 77% in France and 79% in Italy to 97% in Czechia, Denmark and Croatia.

Among older people aged 65 to 74 years, almost one fifth (19%) participated in social networks. This share ranged from 8% in Bulgaria and 9% in Greece to 46% in Denmark.

This news item marks World Social Media Day (30 June).

Fugitive oligarch Mukhtar Ablyazov deprived of Georgian 'Order of Honour'

By order of Georgian President Salome Zurbishvili, the country's first woman president, under Article 5.1 of the Law of Georgia, Kazakh fugitive oligarch Mukhtar Ablyazov has been deprived of that country's 'Order of Honour', which had been bestowed on him "For Successful Investment Projects and Enormous Personal Contribution to Economics of Georgia" in November 2006.

According to EU Today, on June 7th, 2017, Ablyazov was found guilty by decision of the Almaty Criminal Court of the theft of several billion dollars from BTA Bank, of which was formerly the Head, and sentenced to 20 years in prison. He also has a conviction for murder, for which he

faces a life sentence.

He also has criminal convictions in the UK, where two consecutive 22 month prison sentences await him, should he ever return to the country, and outstanding extradition warrants from Russia and Ukraine, as well as his home country.

An Interpol Red Notice against Ablyazov was controversially removed after lobbying within the institutions of the EU by the controversial human rights NGO Open Dialog Foundation, which it was recently stated in the European Parliament was set up by Ablyazov himself, and which has subsequently been implicated in money laundering activities related to the monies he embezzled from BTA.

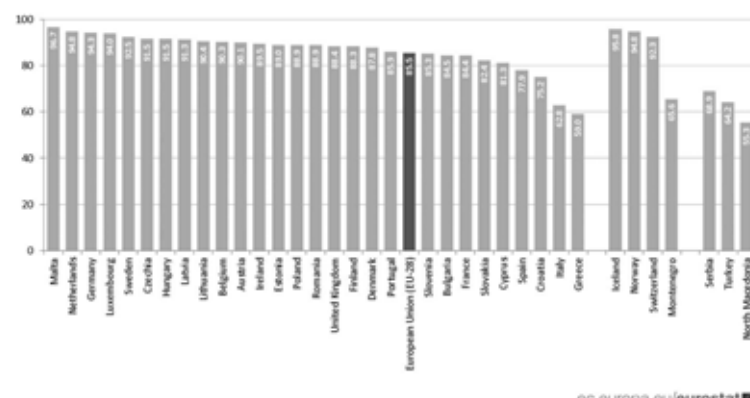
EU employment rate for recent tertiary graduates

The FINANCIAL – In 2018, for graduates aged 20-34 in the European Union (EU) who had attained a tertiary level education within the previous three years, the employment rate stood at 85.5%.

This is 0.6 percentage points above the rate in 2017 and 1.4 percentage points below the previous high point of 86.9% in 2008.

The EU Member States with the highest employment rates for recent tertiary graduates in 2018 were Malta (96.7%), the Netherlands (94.8%), Germany (94.3%) and Luxembourg (94.0%). In contrast, there were four EU Member States where the rate was less than 80%: Spain (77.9%), Croatia (75.2%), Italy (62.8%) and Greece (59.0%).

Employment rates of recent tertiary graduates, aged 20-34, not in education and training, 2018 (%)



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financial news

Georgian Beer Company to Offer New Irish Beers and Flavoured Waters in 2019

The FINANCIAL

Georgian Beer Company, brewer and supplier of soft drinks, is increasing its portfolio of alcoholic and non-alcoholic beverages with new Irish beers of the Guinness brands Harp and Kilken-

ny, and the first flavoured waters on the Georgian market. "We have already signed an agreement with Guinness to start producing Harp and Kilken-

ny in Georgia. Everyone knows that Harp is a premium segment brand with high standard technologies and quality. We are proud to have the right to brew this beer in Georgia," said Georgian Beer Company's Director Kakhaber Kotrikadze.

"As for Kilkeny, it has different characteristics as a beer. It is a nitrogenated Irish cream ale from the makers of Guinness, which originated in Kilkeny, Ireland. But this brand is also oriented on high quality," he added.

As Kotrikadze stated, customers can already find Harp beer at certain locations on the market, however together with Kilkeny it will be appearing more widely on the Georgian market in the coming months.

Besides new beers, Georgian Beer Company is entering a completely new segment this year, bringing flavoured waters onto the market this summer.

"Only Georgian Beer Company is able to produce such high quality flavoured waters in Georgia. This product, like our juice Chero, will be produced using the latest technology of 'aseptic' bottling. The flavoured waters will have different fruit or citrus aromas. This way we will contribute to raising water consumption among Georgian customers, making drinking water more pleasant and therefore popular," said Kotrikadze.

All these new products will be appearing on the market by the end of this year, however Georgian Beer Company offered some novelties at the beginning of 2019 also.

This year Georgian Beer Company has already introduced onto the market the rebranded Sviani, which is a lager-type beer with a soft and pleasing taste. Sviani is made of a special breed of hop and highest quality barley malt. Sviani is an ancient Georgian word meaning 'happy, lucky one', so Sviani was



KAKHABER KOTRIKADZE, Georgian Beer Company's Director

designed as a beer that brings happiness.

"Sviani is a winner and leader of blind degustation and is much appreciated by beer specialists. We wanted Sviani to also be a national product. We have rebranded this product, changing its image and appearance," said Kotrikadze.

Another product that was already presented on the market is the beer Ninkasi, named after the Sumerian goddess of beer. Kotrikadze says that Ninkasi has an "interesting aroma and taste".

Meanwhile, three of Georgian Beer Company's products Ragnar, Zedazeni and Chero received a Golden Brand award this year.

"These are truly distinguished brands in our portfolio. All three brands are united by the same characteristics – quality, high standard, and the refined taste," Kotrikadze said.

Beer Zedazeni is the first and main brand of Georgian Beer Company. Three factors determine the quality of beer: the raw materials, recipe, and production process. The Beer Zedazeni is brewed by the highest

quality raw materials and with the excellent spring water of Zedazeni. The production process is carried out according to the most ultramodern reaches of the European beverage industry.

"Zedazeni appeared on the Georgian market in 2012 and has gained much respect from customers. Zedazeni was established on the market as a brand of high quality and as a brand that says "Georgian means the best!" Zedazeni is famous as a truly Georgian brand, with Georgian history and with Georgian values," Kotrikadze said.

Georgian Beer Company rebranded Zedazeni last year, giving it a renewed design. Zedazeni beer is now in brown bottles with a redesigned label which is modern and more refined. This was the first rebranding of Zedazeni beer since it launched seven years ago.

"Zedazeni started the history of our company that today produces more than 10 varieties of beer; the lemonades Zedazeni and Baikho; cold tea; three varieties of energy drinks – Wilder (the first Georgian energy drink), Dino and Rad Rain.

We produce both juices and RC Cola with different flavours – all of them respected and major players on the market," Kotrikadze said.

Another Golden Brand winner – Scandinavian beer Ragnar Pilsner – appeared on the market last year. This beer is made according to the traditions and brewing methods of old Anglo-Saxon and Scandinavian tribes. The miracle beer of the Vikings has already become popular among Georgian consumers.

As for Chero, this is the first Georgian natural juice made from local raw materials and produced using the latest technology of 'aseptic' bottling. This method of bottling allows for the possibility of maintaining the fruits' vitamins and precious components. There is no analogue of this in Georgia, nor in any of its neighbouring countries.

All three products experienced growth in sales last year: Zedazeni – about 10 percent; Ragnar – 7-8 percent; and Chero – 20%.

Export of Georgian Beer Company's products also grew by about 50 percent.

"We have also diversified the range of products. Previously, Georgian lemonade by Zedazeni was the sole leader of exports, but recently the export of beers, energy drinks and juices have also grown," said Kotrikadze.

He continued by saying that Georgian products can only make an impression on foreign markets with their quality.

"The only way to gain recognition on foreign markets is to offer them quality products. As a small marketplace, Georgia cannot produce large amounts of products and cannot ensure a continuous production line. Small portions but high quality products exported abroad would really gain customers' trust," Kotrikadze said.

"Another factor that would help Georgian products be better positioned on international markets would be to be associated with our country. By that I mean using Georgia's reputation as a country that produces quality, healthy products; a country which is rich in natural resources, rich in water. We can sell the concept of the history of Georgia and get a profit," he added.

Interview is part of Golden Brand Awards program. The Most Influential, Independent Business Awards in Caucasus.

On average, older adults spend over half their waking hours alone

The FINANCIAL-- Americans ages 60 and older are alone for more than half of their daily measured time – which includes all waking hours except those spent engaged in personal activities such as grooming. All told, this amounts to about seven hours a day; and among those who live by themselves, alone time rises to over 10 hours a day, according to a new Pew Research Center analysis of Bureau of Labor Statistics data.

Over 10 hours of daily time alone for older Americans living on their own. In comparison, people in their 40s and 50s spend about 4 hours and 45 minutes alone, and those younger than 40 spend about three and a half hours a day alone, on average. Moreover, 14% of older Americans report spending all their daily measured time alone, compared with 8% of people younger than 60.

While time spent alone is not necessarily associated with adverse effects, it can be used as a measure of social isolation, which in turn is linked with negative health outcomes among older adults. Medical experts suspect that lifestyle factors may explain some of this association – for instance, someone who is socially isolated may have less cognitive stimulation and more difficulty staying active or taking their medications. In some cases, social isolation may mean there is no one on hand to help in case of a medical emergency.

People ages 60 and older currently account for 22% of the U.S. population – 73 million in all. It's estimated this share will rise to 26% by 2030, fueled by the aging of the Baby Boom generation. The well-being of older adults has become a topic of much interest both in the United States and in other developed nations, particularly as it relates to social connection.

Not surprisingly, time alone is closely associated with living arrangements, for both younger and older Americans. About one-in-four adults ages 60 and older (23%) live alone today – 16.7 million in all. These older adults say they spend, on average, about 10 and a half hours alone each day – almost twice as much time as those who live with a spouse. More than a third (37%) of older adults who live alone report spending all their measured time alone. Among those who live with someone other than a spouse, the average amount of alone time a day is seven and a half hours. (The 3% of older adults who are living in institutionalized settings are not included in this analysis.)

While there aren't significant gender differences in time spent alone for people in their 60s, for instance, women ages 80 and older spend about eight and a half hours a day alone, compared with 6 hours and 40 minutes for comparable men. When it comes to the share spending all measured time alone, there are no gender differences among all people ages 60 and older, but again a gap emerges at older ages – for people ages 80 and older, 20% of women report spending all measured time alone, compared with 13% of men.

This gender pattern in alone time reverses once gender differences in living arrangements are accounted for, suggesting other factors are also in play. While 43% of men 60 and older who live alone report spending all of their time alone, this share is lower for women who live alone (34%). And among those living with someone other than a spouse, 21% of men report spending all measured time alone, compared with 12% of



Continued on p. 20

KHVANCHKARA

1927

IN VINO VERITAS

WINERY

"ვინა ზეფი ზღოთა და ზეფი აზღოთ,
ქართულთა ყუბა ვალოზავ ყ ვსს შიდავანა
ღანა ვინა ღებინს ღებინთ ღებინს ყვლო
ჭრინასულის თუ ჭრინაბობის ჭრინსუვლი"
შოთა რბინანდის

Georgian Wine

Tsitska
DRY WHITE WINE

გვ. 12.5%

2016

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FactCheck



Mamuka Bakhtadze:



STATEMENT:
WE INHERITED A DIFFICULT LEGACY WHEN IMPORT WAS THRICE AS LARGE AS EXPORT. WE HAD ONE OF THE WORST PARAMETERS IN TERMS OF THE CURRENT ACCOUNT DEFICIT IN THE WORLD

VERDICT:
FACTCHECK CONCLUDES THAT MAMUKA BAKHTADZE'S STATEMENT IS MOSTLY TRUE.

Valeri KVARATSKHELIA
FactChek

RESUME:

The main factor which stipulates the current account deficit in Georgia has historically always been the negative trade balance in trade of goods. In 2011-2012 prior to the change of government, import exceeded export by 3.2 and 3.4 times, respectively. As of today, import exceeds export by a factor of 2.7. Despite this, the more important indicator – the trade deficit to GDP ratio – has not changed significantly. In 2011-2012, this ratio was 33.8% and 35.8%, respectively. In the following periods, the trade deficit to GDP ratio has been stable and constituted 34.5% and 35.6%, respectively, in 2017 and 2018.

A negative trade balance is partially offset by other components of the current account, usually the positive balance of trade in service. In regard to the current account deficit per se, with -12.8% and -11.9% negative balances in 2011 and 2012, respectively, Georgia was ranked in the 33rd and 30th positions from the bottom from among 180 territorial units. In 2017-2018, the current account deficit decreased substantially, to -8.8% and -7.7%, respectively, in these years. Even in light of a better performance, however, Georgia's positions vis-à-vis other countries has not improved. Of additional note is that this is a somehow rigid approach which does not take into account the individual characteristics of different countries' economies.

Bakhtadze's figures largely correspond to the reality. The current account deficit as well as the import and export ratio has always been a historical problem for Georgia's economy and the current situation has not improved substantially. However, the Prime Minister's quote also does not include such a claim.

ANALYSIS

On air on TV Pirveli's broadcast, Reaktsia, the Prime Minister of Georgia,

Mamuka Bakhtadze, remarked that they (the Georgian Dream) inherited a difficult legacy, meaning a dependence on import. As stated by the Prime Minister, import was thrice as large as exports whilst Georgia had one of the worst parameters in the world in terms of the current account deficit.

The current account illustrates a certain part of economic relations outcomes between a particular country and the rest of the world whilst a country's balance of payments includes comprehensive data about money inflows and outflows. The balance of payments is a certain account which illustrates the movement of money between the economy of a specific country and the rest of the world. A country's balance of payments consists of its current account, capital account and financial account. A current account includes the component of trading with goods and services as well as incomes and transfers. The income component shows inflows of income from abroad and incomes transferred from Georgia. Transfers include current transfers between the residents and non-residents of a country. If a country's current account is with a deficit; that is, if more money leaves the country as compared to what comes in, the gap is covered by the financial account. The use of foreign debt to fund the current account deficit is the least desirable scenario. Table 1 illustrates trend of changes in the current account deficit.

In 2018, the current account deficit constituted USD 1.25 billion which is 7.7% of the GDP. This figure is an improvement by 1.1 percentage points as compared to 2017. The current account deficit was characterised by a decrease trend in 2011-2013, too, and it dropped sharply to 5.9% as of 2013 whilst it returned to the growth trend in 2014-2016. In 2017-2018 again, there is a deficit decrease dynamic.

In regard to a comparison of countries in terms of the current account deficit, naturally it is desirable to keep that figure low. Given the differences in the size of the economies, certain countries' absolute figures vis-à-vis their current account deficit or surplus are incomparable. It is appropriate to employ the current account to GDP ratio. To directly compare certain countries with this indicator is

permissible although it is somewhat of a rough approach. Countries rich with natural resources (mostly petroleum products), such as Kuwait, Azerbaijan, Russia and Saudi Arabia, usually have a current account surplus given the large share of the export of their resources. In regard to Georgia's current account deficit vis-à-vis other countries, Georgia was ranked 33rd and 30th from the bottom from among 180 territorial units in 2011-2012 (years prior to the change of government). In the last years, despite a trend of decrease in the current account deficit, Georgia's position in the given ranking did not change significantly (29th position in 2017).

In regard to the import and export ratio, the trade in goods is one of the components of the current account and it has historically been the major factor stipulating Georgia's current account deficit. Graph 1 illustrates the trend of changes in import and export in Georgia.

As illustrated by the graph, in years prior to the change of the government (2011-2012), import exceeded export by 3.2 and 3.4 times, respectively, in these years. In 2013, this ratio gradually dropped to 2.8 and returned to a growth trend. As a result, the ratio in 2016 is higher than 2012 and constitutes 3.5. In 2017-2018, there is again a decrease trend and import exceeds export by 2.9 and 2.7 times, respectively, in these years. The trade deficit (export minus import) to GDP ratio is a more important indicator as compared to the export to import ratio and respective data are given in Graph 2.

In 2011-2012, the current account deficit to GDP ratio was 33.8% and 35.8%, respectively, in these years. In the following periods, the trade balance to GDP ratio has been relatively stable and constituted 34.5% and 35.6%, respectively, in 2017-2018.

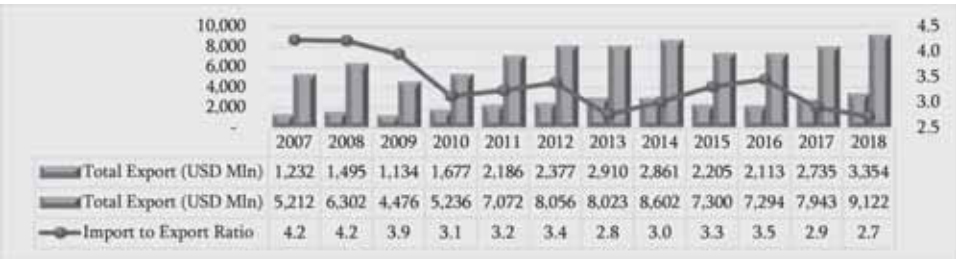
1 For the majority of the countries, 2018's figures are not currently included in the World Bank data. In 2017, the data of ten such countries, which usually have a higher current account deficit than Georgia, are also not included. If those data are included, Georgia's position will improve to some extent.

Table 1: Current Account Deficit

	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP (GEL Million)	20,743	24,344	26,167	26,847	29,150	31,756	34,028	37,847	41,077
GDP (USD Million)	11,637	14,438	15,848	16,140	16,508	13,988	14,378	15,088	16,207
Current Account Deficit (USD Mln)	-1,195	-1,843	-1,886	-958	-1,789	-1,763	-1,889	-1,333	-1,247
Current Account to GDP Ratio (%)	-10.3%	-12.8%	-11.9%	-5.9%	-10.8%	-12.6%	-13.1%	-8.8%	-7.7%

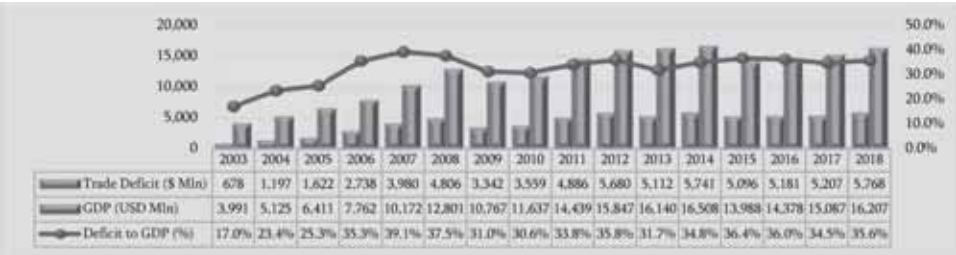
Source: National Bank of Georgia, National Statistics Office of Georgia

Graph 1: Import and Export Ratio



Source: National Statistics Office of Georgia

Graph 2: Trade Deficit to GDP Ratio



Source: National Statistics Office of Georgia

Umali to Offer 20 New Fish Products this summer



The FINANCIAL

About 20 new fish products will be appearing on Georgian market this summer. The fish processing company Umali, winner of a Golden Brand award, promises that new products will be affordable for customers.

Umali CEO, Lasha Sharashenidze, said that he cannot name specifically what products will be introduced this summer as it is a "commercial secret" but "it will be very pleasant novelty for fish and beer lovers".

Umali is a young company, it opened in 2017 a modern standard processing plant in Georgia's Kareli region and currently it is the largest fish processing factory in Caucasus. Construction of the fish processing factory was partially financed by the United Agro-Project and about USD 2 million was invested in it in total. The company founders have an ambitious goal – to replace imported fish products with locally produced ones, and in general to increase fish consumption in the country.

"The establishment of our company was a big challenge and innovation at the same time, as there was no fish processing factory in Georgia before. We had to train our staff and enter the market with the highest standards. We went through a very difficult path but now Umali

is HACCP certified and established and applies a Food Safety Management System ISO 22000," said Mr. Sharashenidze. "Our market is saturated mostly with imported fish and fish products. The opening of the first fish processing factory was very important stimulus for the development of trout farming in Georgia," he added.

Umali produces 150 tonnes of different species of fish and caviar annually. 100% of the products are sold on the local market, while product export is planned for the future. In total 60 people are employed at Umali. The number of employees will increase up to 70 in the near future.

Today Umali products are in every region of Georgia and customers can buy Umali products at every major supermarket. Umali produces about 80 sorts of fish products that include salads; frozen, semi-processed fish products; roasted fish; cold smoked fish; caviar; and salted fish.

Q. Please tell us about Umali's fish processing factory. Where do you get the raw materials from?

A. We produce fish products with local as well as imported raw materials and as of today we offer 80 sorts of fish products to our customers.

Q. Which of them are the most popular?

A. Fish salads are the most popular as they are made with natural products without any additives, plus prices are very afford-

able.

Q. How did the sales of Umali increase last year?

A. On average, the company's annual growth reached 30%.

Q. What innovative products has Umali introduced recently on the market?

A. We have offered our customers "Salmon Khinkali" (Georgian dumpling), "Pelmeni" (Russian dumpling) and "Kebabs".

Q. Do you know what percentage of the population in Georgia consumes fish?

A. According to our internal statistical data over 80% of the Georgian population consumes fish.

Q. Are you planning to export Umali products abroad?

A. Yes, export of Umali products is part of our nearest-future plans but so far we prefer not to reveal all details.

Q. Congratulations on winning a Golden Brand. In your opinion, why has Umali become a favourite brand of both industry experts and customers?

A. We are glad that our work has been appreciated and as a result we were awarded with a Golden Brand award. This is a really great motivation for us.

I think that being the number one fish processing company in Georgia is a result of our hard work, innovative products, quality and affordable price-oriented policy, and we promise to always maintain main principals of Umali work: Excellent taste and highest quality of the products.

Interview is part of Golden Brand Awards program The Most Influential, Independent Business Awards in Caucasus

India-EU trade in goods: €0.1 billion deficit

The FINANCIAL

India was the EU's 9th largest partner for imports (2% of total extra-EU imports) and also the 9th largest for EU exports (2% of total extra-EU exports) in 2018.

Chart showing India-EU trade balance from 2008 until 2018

The EU ran a trade surplus with India (meaning that it exported more than it imported) from 2008 to 2012. This trade surplus turned into a deficit in 2013 and continued until 2017, when it reached €2.4 billion. In 2018,

the deficit decreased to €0.1 billion.

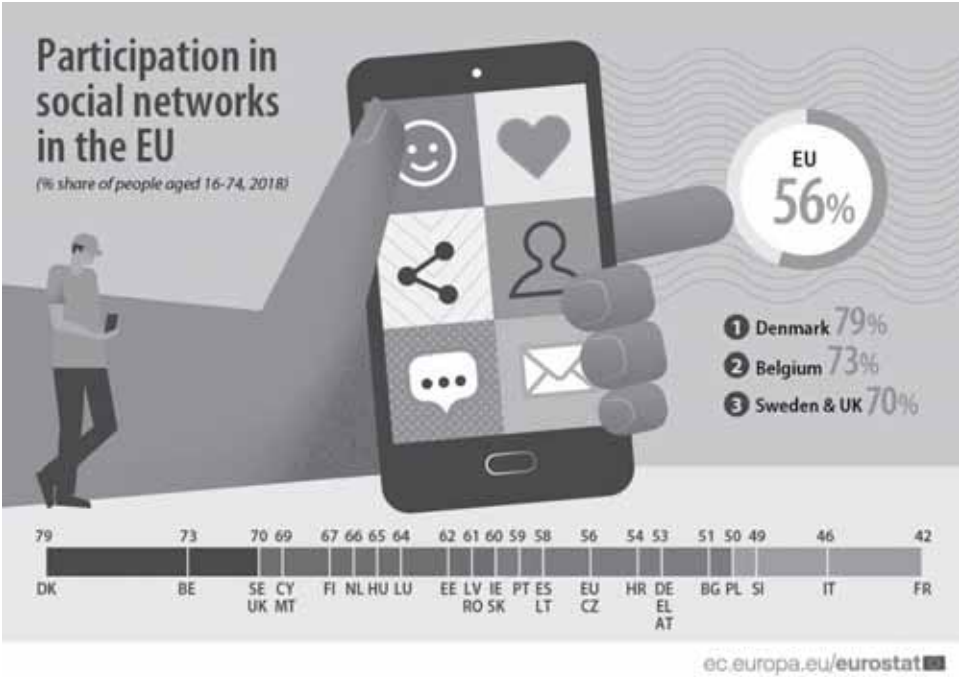
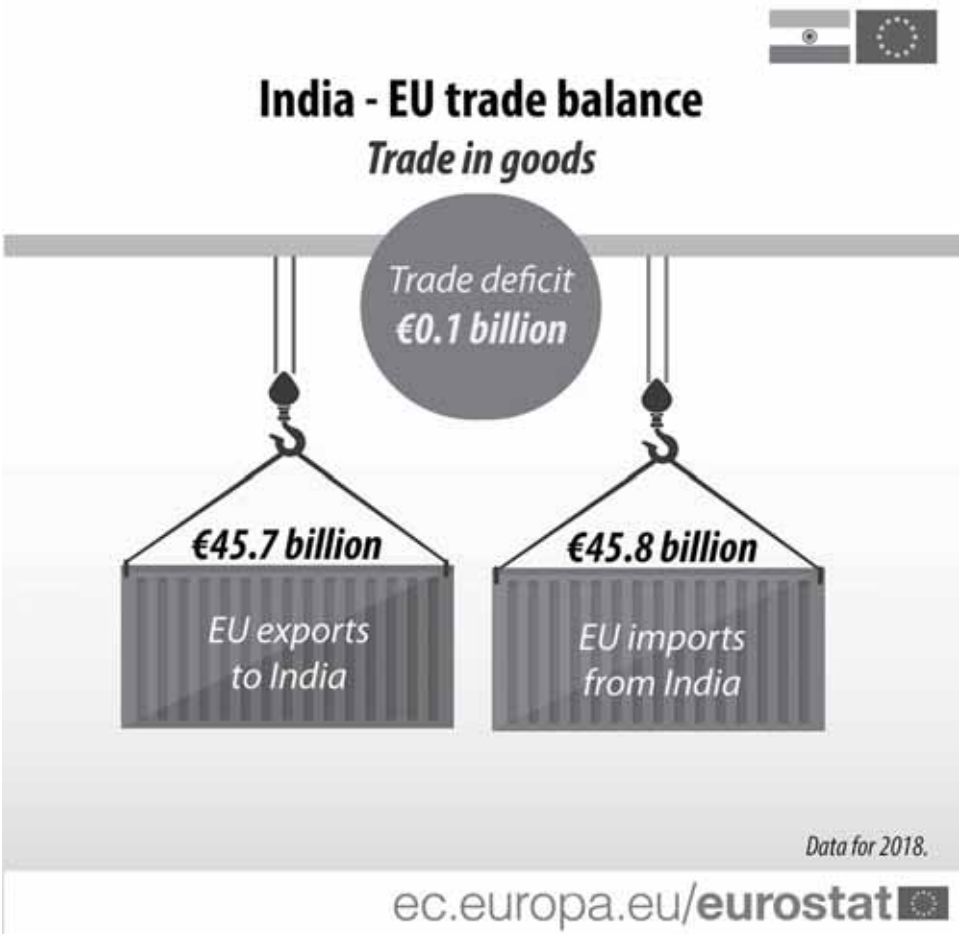
Infographic showing India-EU trade balance for 2018

EU exports to India were dominated by "machinery and vehicles", "chemicals" and "other manufactured products", which together accounted for 89% of EU exports to India. These categories also dominated imports, making up 83% of EU imports from India. At a more detailed level, "pearls and (semi-) precious stones" were the EU's most exported product to India,

while the most imported product from India were "petroleum oils other than crude".

United Kingdom and Germany: main traders with India among the Member States

Among the Member States, the United Kingdom was the largest importer of goods from India (€8 billion). The largest exporter to India in 2018 was Germany (€13 billion).



Mamuka Bakhtadze:

STATEMENT:
IN ACCORDANCE WITH THE ESTIMATES OF THE UPCOMING YEARS, THE ECONOMIC GROWTH RATE IS 5% ON AVERAGE AND IS TWICE AS LARGE AS COMPARED TO THE FIGURES IN THE NEIGHBOURHOOD. IN ACCORDANCE WITH THE INTERNATIONAL MONETARY FUND, IN THE NEXT FOUR YEARS GEORGIA WILL KEEP THIS LEADER POSITION IN THE REGION IN TERMS OF ECONOMIC GROWTH

VERDICT:
FACTCHECK CONCLUDES THAT MAMUKA BAKHTADZE'S STATEMENT IS MOSTLY TRUE.

Vakhtang DEMURIA
FactChek

RESUME:
The International Monetary Fund publishes economic growth forecasts. Mamuka Bakhtadze focuses on the next four years and so 2019-2023 should be selected for analysis. In the given period, Georgia's estimated average economic growth is 5% whilst the average economic growth in the neighbouring countries is 2.5%. Georgia's expected economic growth is precisely twice as large as that of the neighbouring countries. However, in light of the low economic growth rate of our other neighbours which stipulates the low average figure for the entire neighbourhood, of note is that Armenia's estimated economic growth is in essence not lower than Georgia's and, in fact, it outperformed us in the last two years.

In regard to the region, it is appropriate to clearly define the region where Georgia belongs and this is relevant for comparison. In accordance with the World Bank's methodology, Georgia is in the group of European and Central Asian countries. In this region, the country can indeed be considered as one of the leaders (although not a top leader) with an estimated 5% average economic growth rate which is the third highest economic growth rate. Therefore, the Prime Minister's statement does not fully reflect the reality and his audience might have a manipulated impression about the real situation.

In accordance with the International Monetary Fund, Georgia's estimated economic growth rate for 2019 constitutes 4.6%. As given in the preliminary assessment, the real gross domestic product (GDP) growth in April 2019 was 5.1% as compared to the same period of the previous year whilst the average real GDP growth for the first four months of 2019 constitutes 4.8%.

ANALYSIS
The United States Institute for Peace hosted the third annual US-Georgia Strategic Partnership Conference which was opened by the Prime Minister of Georgia. In his opening remarks, Mamuka Bakhtadze stated: "Georgia's economic growth rate is 5% on average and is twice as large as compared to the figures in the neighbourhood. In accordance with the International Monetary Fund, in the next four years Georgia will keep this leader position in the region in terms of economic growth."
The International Monetary Fund publishes economic growth forecasts. Table 1 shows the economic growth dynamic in Georgia's neighbour countries.
Mamuka Bakhtadze focuses on the next four years and so 2019-2023 should be selected for analysis. In the given period, Georgia's estimated average economic growth is 5% whilst the average economic growth in the neighbouring countries is an aggregated 2.5%. Georgia's expected economic growth is precisely twice as large as that of the neighbouring countries. However, of note is that the low economic growth rate of the neighbourhood is stipulated by the

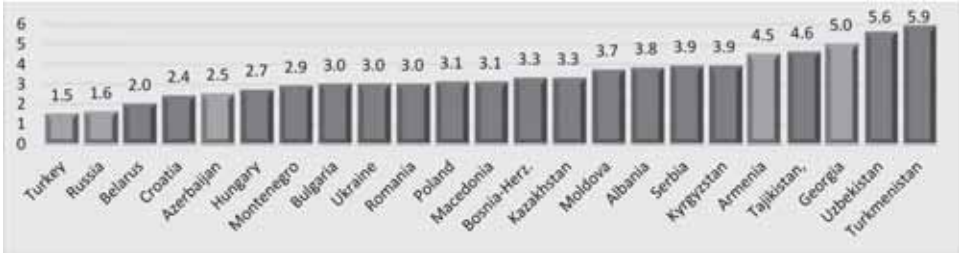
low economic growth rate of our other neighbours whilst Armenia's figures in essence are not lower than those of Georgia's.
In regard to the region, it is appropriate to clearly define the region where Georgia belongs and this is relevant for comparison. In accordance with the World Bank's methodology, Georgia is in the group of European and Central Asian countries (excluding the high income countries). The economic characteristics of the countries in this group are more or less similar.
As illustrated by the graph, Georgia can be considered as one of the leaders in the region with an estimated 5% average economic growth rate which is the third highest economic growth rate.
In regard to 2019's data in accordance with the World Bank's document published in January, Georgia's estimated economic growth rate was 5% although the estimate was slashed to 4.6% in the subsequent report. Similarly, the International Monetary Fund's forecast for Georgia is also a 4.6% growth rate. The deterioration in external economic factors; that is, a decreased foreign demand, on the one hand, and the negative impact of lending regulations, on the other hand, were behind the decision to cut the estimated economic growth rates.
In accordance with the preliminary assessment, the real gross domestic product (GDP) growth in April 2019 was 5.1% as compared to the same period of the previous year whilst the average real GDP growth for the first four months of 2019 is 4.8%. The forecasted economic growth rate for 2019 is 4.6%.

Table 1: Economic Growth in Georgia's Neighbour Countries

	2017	2018	2019	2020	2021	2022	2023	2024
Georgia	4.8	4.7	4.6	5.0	5.2	5.2	5.2	5.2
Azerbaijan	0.1	1.4	3.4	3.1	2.1	1.6	1.5	1.7
Armenia	7.5	5.0	4.6	4.5	4.5	4.5	4.5	4.5
Russia	1.6	2.3	1.6	1.7	1.7	1.6	1.6	1.6
Turkey	7.4	2.6	-2.5	2.5	3.0	3.0	3.5	3.5

Source: International Monetary Fund

Graph 1: Estimated Average Economic Growth Rate (%) in the Region in 2019-2023



Source: World Bank, International Monetary Fund

Graph 2: Assessment of 2019 Growth Rate vis-à-vis the Respective Period of the Previous Year



Source: National Statistics Office of Georgia

publicity

C-HR – a new statement from Toyota

By GELA MEGENEISHVILI

Maintaining its competitive edge, Toyota's C-HR could be the go-to choice in 2019. Justifying the numerous positive reviews it's received, the Coupé High Rider has been widely recognised as a novelty in automobile design. Having debuted in the 2014 Paris exhibition, its contagious appeal paved the way for industrial production. The transitional design between the Coupé and Crossover is summarised in a satisfying visual experience. The massive bottom part resembles classic heavy Toyotas, whereas the slick roof design mimics well-known coupés. The genius back door design deceives even the sharpest of eyes as it lies on top of the door, however the marvellous model definitely provides a full four-seat experience and much more besides.

The extravagance becomes all the more clear when one appreciates that it was diamonds that inspired the Japanese designers to create the model, which with its sharp edges creates a visual experience rivalling the finest of sports cars.

The user-friendly interior design has had much thought put in to it, as it provides user-oriented screen switches and indicators, enabling a driver to use all of the above while focusing on the road.

The seats, rivalling those of a sports car, guarantee a very satisfying driving experience. On top of all the practical features, the interior offers LED lights, diamond shaped forms, and much more. Toyota Center Tegeta will be offering a special edition model equipped with a hybrid engine. The final touch by only the finest of designers, offers an already extravagant vehicle with a whole new luxurious experience.

The 116 horsepower model, equipped with 1.2-litre fuel tank, will be consuming a whopping 6.6 litres per 100km!

On top of the staggering economic results, the Toyota C-HR will benefit the crowded city amid its ongoing problem with air-pollution.

In a nutshell, Toyota C-HR is definitely worth investing in in 2019, due to the cost efficiency as well as the driver-friendly and extravagant experience it provides.

In fact, Toyota strongly believes to be holding one of the most precious models out of all the options available out there. Backed up by a strong promotional push, its HQ values the model so much so, that in the event of purchase, customers get a pre-paid hotel stay for two in the breathtaking Sairme Resort & Spa.

Valuing the environment friendliness all the more together, the Toyota centre found another creative method to encourage Georgian consumers to opt for the hybrid transition. As fuel emission remains a pressing issue, Toyota Center

Tegeta implemented the following CSR programme striving for a better future. As a form of gratitude, a 'green card' (not to be mistaken for the other, well-known one), will be awarded to those customers who will be purchasing the following

hybrids: C-HR; Prius; Rav4; Corolla; and Camry. And on behalf of the owner, for every 2,000 km driven, an endangered oak tree will be planted in the managed reserve of Ajameti. On top of that, the card enables customers to purchase

various plants as home decorations, which will go toward helping the city be covered in more green. As it stands right now, paying attention to environmental issues is a must. Every step taken towards cleaner energy is a warrant for a better future.

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How should the Gambling Industry be Regulated in Georgia?

Recommendations from Shangri La Casino's Marketing Director

The FINANCIAL

The modern, stylish and top-service gambling facility in Georgia, Shangri La Casino Tbilisi, is continuing to establish and provide international gambling standards along with excellent service and security in Georgia. Besides offering the best casino experience, Shangri La Casino Tbilisi is an impressive contributor to the Georgian economy as one of the largest taxpayers in the country. Shangri La's positive influence on the Georgian economy is not only through paying taxes, but also by bringing money by extension to other businesses, such as suppliers, service providers, transport, hotels and so on. "We are among the largest taxpayers in Georgia despite being just a single casino and not a huge company with many branches. We pay GEL 5 million every year for our license and almost the same amount of money in gambling tax, which is GEL 40,000 per quarter for every gambling table and GEL 4,000 per quarter for every slot machine. We also pay tax on our lotteries and salaries. Incidentally, we have over 400 employees and our salaries are higher than the average for the market. Therefore we contribute impressively to the development of the Georgian economy," said the Marketing and PR Director at Shangri La, Lavrentiy Gubin.

As Georgia is about to launch new regulations for the gambling industry, Gubin shared some of his recommendations about how the field should be further regulated in Georgia.

Q. Before discussing how the gambling business should be regulated in Georgia, tell us first why this business is important for our country? Why shouldn't it be prohibited outright, like some political parties and segments of society are calling for?

A. First of all I want to say that outright prohibition is not a way out, anyway. But some limits should be established, I agree.

The casinos and gambling business contribute a significant amount of money to the Georgian economy, and this is really important for Georgia in particular because it is located in a strategic area surrounded by many well developed countries where gambling is prohibited. Lots of citizens of those countries therefore come to Georgia to gamble. They bring money to Georgia; they gamble here; but their money is spent not only on gambling but also



on hotels, transport, restaurants, etc. These people bring a lot of money into Georgia and this is significant for Georgia compared to other countries where gambling is legal. The economies of other countries are so well developed, like for example in the United States, that the impact of gambling is still significant, but not crucial. But for Georgia, where the gambling business is one of the major contributors to the economy, it is crucial.

If you cut the gambling business you not only cut that money that we pay for tax and licenses, but you also cut all of the money spent by those people who come here to gamble: from Turkey, Iran, Azerbaijan, and Russia. So in this case not only would our business suffer, but other related businesses such as those in the hospitality sector would too.

It is important to have the industry in Georgia regulated to a proper level. I can say that it is already quite well-regulated here now. But there are some things that could still be improved.

Q. In your opinion how should the gambling industry be regulated in Georgia so as not to hamper your business but to reduce the negative social impact?

A. First of all, there should be a limit on the amount of licenses handed out. A proper casino, or a proper gambling place, is expensive and requires significantly large investment. This is a big investment for Georgia and therefore any such investor should be protected. Thus the amount of similar properties should be limited. You shouldn't have slot halls at every corner which are targeting local, financially-deprived people. There are so many slot machine establishments in run-down areas that are targeting locals and those less financially stable. The amount of such places should be limited by decreasing the amount of licenses handed out to them.

I would suggest 5 casino licenses for Tbilisi, not more, for the next 10 years for example, and roughly 20 slot machine licenses. There are currently 5-6 casinos in Tbilisi and we should be assured that there will not be any more as there is simply no room for more casinos here. When you invest such a huge amount of money you should be able to know that there will not be any other casinos on the market that will cause fluctuations. Otherwise what you get

will not be a healthy state of competition. Currently there is healthy competition between these 5-6 casinos. However, if another player appears on the market it will cause many problems for us all.

Today, if you have GEL 5 million to buy a license and if you have a relatively clean history, then you can open a casino without a problem. This is good because on the one hand the Government is getting money; another casino means another large amount of money from the license, the gambling tax, etc. However, ultimately it is not good because we have already seen one casino close after just a year of operations. I'm referring to the Aviator casino located in Stamba hotel. It closed down due to the fact that the licenses and tax fees are so high in Georgia. It's almost USD half a million, regardless of whether you are earning money or not, whether you have guests or not. Profit or no profit – you have to pay it. It is a challenge for our business. Some months we don't actually make any money.

When there were just three casinos – Adjara, Iberia, and Shangri La – there was something promising about the market because it was still growing. But when the other three casinos opened it became a big problem because the market is not endless. And now one has closed down. What does this mean for the Government? They might have already envisioned spending this income but now it's stopped – that's bad planning. How many people have lost their jobs? It is also a bad sign for investors. It's important not to send bad signals to potential investors. If you look at any developed country in the world they limit the amount of gambling licenses they give out. You don't give them out to just anyone, only to a proper operator. Unregulated slot clubs and online gambling remain the main social problems.

Q. Besides limiting the amount of licenses they give out, what other regulations should be implemented?

A. Some of the regulations that the Parliament of Georgia is discussing are quite reasonable.

Raising the minimum age from 18 to 21 is absolutely supported. Around the world 21 is the standard age for admission into a gambling establishment. Slot halls in Georgia allow 18 year olds in, while casinos already enforce a minimum age limit of 21.

Also, they are recommending prohibiting gambling advertisements. Our advertising budget in Georgia is the smallest of the land-based casinos here, because we are targeting foreigners mainly and that's why we're not spending a lot of money in the city. So prohibiting advertising will not be problem for us. But if they do do it, then I would recommend that they at least allow it in the airports and at border crossings. Advertisements in such places do not bring any harm to the local population. Meanwhile, it would give us the opportunity to promote ourselves to those who are coming in to Georgia.

Q. Are there good quality gambling facilities in Georgia?

A. Some slot halls are good quality, while others are questionable. Online gambling is massively developed here and it's not bad because some operators like Crystalbet, Adjara, and Europebet are so well developed and their operations so well established that the biggest holdings are purchasing their shares for huge amounts of money – a hundred million dollars, two hundred million dollars, or so I've heard. It means that these companies are so well developed that huge international companies are interested in investing in their business. They just need to control the local level, so as not to allow kids or those with debts to play.

Q. Do you consider the online gambling segment to be competition for casinos, including Shangri La?

A. In some ways yes, of course. If there were no online casinos at all we would have many more guests here. But nowadays there are people who prefer to gamble online and won't choose to go out somewhere and physically sit and gamble. But there are people who prefer the atmosphere of a casino, the communication with other people and the real feel of gambling. The niche of online casinos is growing but there will always be people who will prefer the real experience.

Q. Have you considered entering the online gambling segment in Georgia?

A. We are developing the online casino in general and it works perfectly, but we are not entering the Georgian market with this offer at the moment because you need a separate license, with separate payments. The new market requires big investments and the product should be absolutely perfect.

Georgians Near Breakaway Regions See Quality Of Life Decline, Amnesty Says

RFE/RL

Georgian villagers living near demarcation lines with two breakaway regions say their quality of life has declined since physical barriers were built, cutting them off from family, land, and markets.

A report published on July 3 by London-based Amnesty International cited villagers as also complaining that they are often "arbitrarily" detained by Russia-backed authorities while attempting to cross the borders that are recognized by just a few Moscow-allied countries.

"Villagers – some living in the poorest parts of the country – have lost access to pastures, farmland, and orchards, to sources of water in summer, and firewood for winter," the report said.

Following a five-day war in August 2008 between Georgia and Russia, the regions of Abkhazia and South Ossetia declared their independence from Tbilisi with Kremlin support. The two regions account for about 20 percent of Georgia's territory. For the past decade, Russian forces have been trying to turn "dotted lines" on a map into a physical international border, disrupting life, the report said. Physical barriers now cut through at least 34 villages, Georgian authorities told Amnesty.

The forces have used various means to create a physical border including barbed-wire, metal or wooden fences, and trenches. They have also installed signs and surveillance equipment, it said. A barbed-wire border that cut through the village of Khurvaleti separated Davit Vanishvili from his family, forcing his relatives to pass his pension and medicine through the fence after sunset, according to the report.

"The constraints placed on their freedom of movement also negatively impact on other rights, eroding living standards, impairing access to agricultural land, health care, places of worship and education, and entrenching discriminatory attitudes and measures," the report said.

In areas where there is no physical border, villagers often don't know where the demarcation line is, resulting in their detention, Amnesty said.

As many as 1,000 Georgian families have lost partial or total access to farmland they worked as well as forests they used, the report said.

Amnesty said it does not know how many families on the other side of the border in the breakaway regions are impacted as they were not given access by local or Russian officials.

The rights watchdog said it spoke with more than 150 people on the Georgian side for its report, in addition to Georgian government officials.

With reporting by RFE/RL's Todd Prince in Washington and RFE/RL's Georgian Service

financial news

By 2015, 50% of energy consumption worldwide will be electricity

Less gasoline, more digitization are accelerating the countdown to a new energy world faster than expected

The FINANCIAL

Renewable energy technology advances, innovation in storage and digitization and increased distributed energy generation are accelerating the pace of the global energy transition, according to the latest EY research in collaboration with IDC, a leading global analyst house.

A year ago, EY teams and IDC mapped the major drivers to determine when three tipping points would forever change the way utilities do business and set the industry on a countdown to reinvention. The latest analysis, covering Europe, the US, Oceania, the Gulf Cooperation Council (GCC) countries, China, India and Latin America, indicates that these drivers are progressing faster than even the most ambitious estimates, bringing forward the tipping points by as much as two years.

“A revolution in the power sector is driving rapid change in renewable energy supported by digital technologies, the falling cost of battery storage, and empowered consumers. These are quickly ushering in a new energy system, transforming our world into one where cleanly generated electricity will power almost every aspect of our lives,” Benoit Laclau, EY Global Energy Leader, says.

The research identifies four key forces creating a combination of factors that compress the timeline to a new energy world.

Force 1: Better, cheaper technology

As a result of the accelerating shift toward utility-scale renewables, complemented by declines in the cost of decentralized generation-plus-storage solutions, 2018 is the seventh year in a row where new renewable energy capacity outstripped new conventional energy installations. Energy and digital technolo-



gies that accelerate renewable deployment, such as battery storage, electric vehicles, artificial intelligence and machine learning, have moved quickly from being emerging trends to integral parts of the energy system. The research indicates that battery innovation -- in particular, the adoption of utility-scale storage -- marks a major turning point that will drive momentum in other regions.

Force 2: Policy revisions and more ambitious clean energy targets

Around the world, governments are positively revising renewable energy targets, with many mandating big increases that are quickly shifting their country's energy mix. As technologies and markets mature, countries are increasingly moving away from some of the policy mechanisms that drove early uptake in renewables. While feed-in policies remain the backbone of national support schemes, renewable tenders are becoming prominent.

Force 3: Distributed generation gaining momentum, especially among corporates

The analysis indicates that a powerful mix of consumer demand, sustainability targets and a desire to cut costs and secure energy supply is pushing companies to forge their own power purchase agreements (PPAs) or self-generate electric-

ity. For many businesses, the main driver is economics, because significant reductions in renewable energy costs, as well as maturing market and policy environments, have made renewables an attractive source of energy in their own right. Meanwhile, the uptake of solar photovoltaic at a residential level continues to accelerate beyond expectations and community energy schemes are on the rise, impacting energy companies' market share.

Force 4: Stakeholder action is reshaping energy investment

In the past few years, the funding landscape of the energy sector has changed significantly, with renewables and energy technologies attracting new types of funders. This includes private equity firms and venture capitalists who seek investments with smaller time frames and bigger potential for innovation. One of the major impacts seen is from activist investors as well as regulators, customers and the public, all of whom demand companies to focus on cleaner sources of electricity.

Jean-Francois Segalotto, Associate Research Director, IDC Energy Insights, says:

“This research and analysis has resulted in a multi-regional cost parity model for the energy industry that takes into account both distributed generation and storage, as well as several other enabling technologies.

For those energy companies that are actively rethinking their business model, the results of this research provide a concrete horizon against which they can benchmark their action. For those that haven't yet done so, the data provides one of the strongest calls to action.”

In addition to the above forces, “the electrification of everything” is a major factor that is underpinning this change in the energy mix. By 2050, nearly 70% of the world's population are expected to live in urban areas and 50% of total final energy consumption will be electricity. This indicates an electrification of buildings, heating, industry, data centers and transport being the critical lever in the building of sustainable climate-safe cities. In major energy markets, the phasing out of internal combustion engines in favor of electric vehicles (EVs), is a very visible and high impact part of this trend, and is bolstered by initiatives to reduce emissions and create urban mobility networks.

Laclau says: “As the countdown to a new energy world accelerates and a new distributed model emerges, energy companies must be agile and take on a proactive role in the transformation of the sector. But the challenges of the sector cannot be solved in isolation. When industry players, regulators, governments and companies in adjacent sectors work together, there is greater potential to unlock the innovation needed to address the most complex energy challenges.”

Hispanics with darker skin are more likely to experience discrimination than those with lighter skin

The FINANCIAL – About six-in-ten U.S. Hispanic adults (58%) say they have experienced discrimination or been treated unfairly because of their race or ethnicity, though their experiences vary by skin color, according to a recently released Pew Research Center survey.

Experiences with discrimination more common for Hispanics with darker skin About two-thirds of Hispanics with darker skin colors (64%) report they have experienced discrimination or been treated unfairly regularly or from time to time, compared with half of those with a lighter skin tone. These differences in experiences with discrimination hold even after controlling for characteristics such as gender, age, education and whether they were born in the U.S. or abroad.

Latinos with darker skin are more likely than those with lighter skin to report a specific incident of discrimination. A majority of Latinos with a darker skin color (55%) say that, because of their race or ethnicity, people have acted as if they were not smart, compared with 36% of Latinos with a lighter skin color. Similarly, about half of Latinos with darker skin (53%) say they have been subject to slurs or jokes, compared with about a third of those with a lighter skin color (34%).

Regardless of skin color, Hispanic experiences with discrimination can differ from those of other groups. Hispanics with darker skin tones are less likely than black Americans to say that people have acted as if they were suspicious of them, or to report having been unfairly stopped by police. Even so, comparable shares of Hispanics with darker skin tones and black Americans say they have been subject to slurs or jokes.

Hispanic experiences with discrimination can differ depending on skin color By contrast, Hispanics with a lighter skin tone have had experiences with discrimination that are similar to those of non-Hispanic whites. Among both groups, about a quarter say people have acted as if they were suspicious of them, roughly a third have been subject to slurs or jokes, and about two-in-ten (19%) say they have been treated poorly in hiring, pay or promotion. It is important to note that about half of Hispanics (52%) identify their race as white, a share that increases to about two-thirds (68%) among those with the lightest skin color.

On average, older adults spend over half their waking hours alone

Continued from p. 8

women. The fact that older women are more likely than men to be involved in activities outside the home such as going to church or volunteering may partly explain this pattern.

Differences in time spent alone also emerge across educational levels. People ages 60 and older who have a high school diploma or less education spend, on average, 7 hours and 18 minutes a day alone – about 45 more minutes than their counterparts with a bachelor's degree. These patterns reflect in part the fact that less educated people are less likely to be married and living with a spouse than their more educated counterparts. (This is true among younger adults as well.) About half (51%) of adults ages 60 and older with a high school diploma are living with a spouse, compared with 59% of those with some college education or an associate degree and 67% of those with a bachelor's degree.

Leaders need to take responsibility for — and action on — responsible AI practices

The FINANCIAL

The estimated \$15.7trn economic potential of artificial intelligence (AI) will only be realised if the integration of responsible AI practices occurs across organisations, and is considered before any developments take place, according to a new paper by PwC.

Combating a piecemeal approach to AI's development and integration – which is exposing organisations to potential risks – requires organisations to embed end-to-end understanding, development and integration of responsible AI practices, according to a new toolkit published this week by PwC.

PwC has identified five dimensions organisations need to focus on and tailor for their specific strategy,

design, development, and deployment of AI: Governance, Ethics and Regulation, Interpretability & Explainability, Robustness & Security, and Bias and Fairness.

The dimensions focus on embedding strategic planning and governance in AI's development, combating growing public concern about fairness, trust and accountability.

Earlier this year, 85% of CEOs said AI would significantly change the way they do business in the next five years, and 84% admitted that AI-based decisions need to be explainable in order to be trusted (2). Speaking this week at the World Economic Forum in Dalian, Anand Rao, Global AI Leader, PwC US, says:

“The issue of ethics and responsibility in AI are clearly of concern to the majority of business leaders. The C-suite needs to actively

drive and engage in the end-to-end integration of a responsible and ethically led strategy for the development of AI in order to balance the economic potential gains with the once-in-a-generation transformation it can make on business and society. One without the other represents fundamental reputational, operational and financial risks.”

As part of PwC's Responsible AI Toolkit, a diagnostic survey enables organisations to assess their understanding and application of responsible and ethical AI practices. In May and June 2019, around 250 respondents involved in the development and deployment of AI completed the assessment.

The results demonstrate immaturity and inconsistency in the understanding and application of responsible and ethical AI practices:

Only 25% of respondents said they would prioritise a consideration of the ethical implications of an AI solution before implementing it.

One in five (20%) have clearly defined processes for identifying risks associated with AI. Over 60% rely on developers, informal processes, or have no documented procedures.

Ethical AI frameworks or considerations existed, but enforcement was not consistent.

56% said they would find it difficult to articulate the cause if their organisation's AI did something wrong.

Over half of respondents have not formalised their approach to assessing AI for bias, citing a lack of knowledge, tools, and ad hoc evaluations.

39% of respondents with AI applied at scale were only “somewhat” sure they know how to stop their AI if it goes wrong.

URBAN GARDEN, Here It takes just a month to change yourself



By GELA MEGENEISHVILI

As the arrival of the hot summer days, developing an appealing figure has become a task on many checklists. URBAN GARDEN opened for two years, for now, has already been established as a hub for amateur and professional athletes. The FINANCIAL reached out to the training facility where in the barrage of questions Nika Khipashvili, the professional trainer at URBAN GARDEN covered many topics related to a healthy lifestyle.

Q. How one achieves such a position where exercising becomes part of the daily routine?

A. Just one word – RESULTS! Often, it takes even the minuscule of success to push you towards the next level, where unparalleled adrenaline requires you to do more. It's within the very first two weeks of training where the results could decide one's motivation for the future physical development.

In addition, the correct methods of training and preferable supervision by a professional is the way to go! Often flawed exercising hinders the achievement of the desirable results, even in cases where the one spends a lot of effort. This often leads to demotiva-



tion and increases the probability of dropping workout routines all together.

Q. In what timeframe is it

plausible for one to change an appearance?

A. There are two scenarios to consider. In case one desires to drop

weight, this is relatively easy, no equipment required, a month and a half of intense cardio will definitely do the trick. However, the goals of gaining some muscle mass, require training equipment and 3-4 months of timeframe.

Q. What is the desirable diet for weight drop?

A. In order to drop weight, the day should start with carbs such as rice, buckwheat, oat, corn and potato, however, the last two should be consumed at low quantity as they contain high levels of cholesterol, continuing the lunch should involve high proteins, the third meal is preferred to be rich in vegetables and finally the day should end with 0% fat dairy products. In addition, for the enhanced results, it is much preferred to not have a meal after the workout. As it burns 30% more fat.

Q. What routine is preferred for the muscle mass gaining?

A. The mealtimes would be increased to six times daily. The weekly workout routines drop from 6 to 3 and the exercises are focused on stress levels. Sets decrease while the rest time between them increases. As an example, if weight drop exercise involves 20 reps and 5 sets, muscle mass gains have 8 reps 4 sets. It is also crucial to get proteins right after the workout.

Q. What are the best methods to get abs?

A. For such cases, high intense cardio exercises are the absolute best. Jogging and bicycle are some of the preferred exercises. The common mistake made by rookies is to jump onto the abs workout straightforward. The thing is in such cases the abdominal muscles below the fat layer are getting stronger and gain muscle mass, while the fat layer stays put, so the visually, people are left with just a bigger belly. It is crucial to get rid of the fat layer first and only then

spend time for abdominal muscle development.

Q. Have you ever had cases in URBAN GARDEN, where trainees have shown radically positive results?

Yes! And we have seen radical results in both weight dropping and strength and endurance. One trainee was unable to lift KG 20, after merely 4 months he was able to do sets with KG 90 with ease.

Q. Through the years we have seen various mindsets for training, which is superior, NO PAIN NO GAIN, or somewhat relaxed approach?

A. I believe that one should always reach their limits. Being unable, while forced to act is the exact moment, when one reaches the whole new boundaries. My own experience, being a rugby player has shown me that, so perhaps this is the reason why I expect the similar from my trainees.

Q. What are the exercises designed to drop weight, without gaining any muscle mass?

A. High intense exercises excluding the cardio shout do the job. It is highly recommended to stick to the diet.

I have seen many cases where people are finishing workouts and just right after, they start eating unhealthy products, thinking that they have balanced caloric inputs.

This is not how the human body works, such action will probably cause you to get out of shape even faster. In URBAN GARDEN we make sure that trainees are informed with such tips and much more.

Q. What should we keep in mind about caloric inputs?

Well, the tip is pretty simple. In case the goal is to gain weight caloric input should be higher than those burnt in a workout. In case of weight dropping – less, and for the figure maintenance – perfectly balanced.

Colouring the terrain? Green is the way to go! Green Business Forum 2019

By GELA MEGENEISHVILI

Reaping the consequences of the industrial era, climate change and global warming have been deemed nature's wrath in the 21st century. At the event organised by The FINANCIAL, representatives from various establishments showcased the green actions they are undertaking for a better future.

"The mark that the industrial era left behind has resulted in worldwide climate change. Researchers have found that a result of this in Georgia is that the eastern part of the country currently faces a reduction in sediment, while in the west it is quite the opposite. Georgian terrains are under rising risk, which require immediate action," Eka Mikadze, panel moderator from CIDA.

"The green economics movement has become quite popular in recent years. Perhaps one of the greatest contributors has been the 2016 "Europe UN environment" conference that was promoted by the United Nations, held in Batumi", Nino Janelidze, Ministry of Environment Protection and Agriculture of Georgia.

"The initiative has four main criteria: the planning of the green

growth strategy; spreading awareness; fostering green development among businesses; and widening the accountability of businesses in environmental causes, which the Government is actively working to meet."

"Despite our influence being limited to within the municipality, the actions that we undertake remain critical for society", Giga Gigashvili, Head of the Environmental Protection Service of Tbilisi City Hall said. "Despite not being directly responsible, we have been actively working to encourage private organisations to take care of the environment".

"The mayor's office owns a branch aiming to cope with the environmental issues relevant to the city. The checklist begins with creating green terrain, that due to awareness raising among society has been prioritized for some time now. The next task is to encourage the forestation process in the outskirts. This plan has been introduced very recently and has been unprecedented in Georgia since the Soviet era. Encouraging recycling; taking care of waste and lowering environmental pollution have been deemed yet another relevant task.

Our establishment might lack a national scale, however we strongly believe ourselves to be critical

contributors to keeping up with world standards.

In addition, the mayor's office holds the exclusive rights to regulate construction sites and offer modern solutions against pollution, as such actions remain critical elements of urban development.

Every artificial interference in nature leaves devastating marks on landscapes which require the collaboration of several governmental establishments. Gigashvili, Head of the Environmental Protection Service of Tbilisi City Hall said.

"The mayor's office has been actively building recreational terrain. We have recently reopened the park, also known as the 'red park', which has already become a recreational hub for the local neighbourhood.

The year 2019 will have an additional 5 parks fully opened that Tbilisi has been lacking since 1986.

For the territory of choice, the riversides of Dighomi are considered the way to go, due to the natural island the terrain offers. It is important to mention that the island is unique in the whole of Tbilisi and the mayor's office had been actively planning the construction of what will be the very first interactive park on the river Mtkvari.

Another appealing terrain construction is the ravines of Temka, where we have chosen 23 hectares

and have just finished a tender to announce the winning company.

The project has been quite lengthy in time as the landscape required in-depth analysis.

As for Vake Park, that has been one of the major recreational zones that the mayor's office has long been working on improving, however due to a lack of awareness of the reconstruction purpose some individuals opposed the rebuilding. To clarify, the mayor's office has never been planning any harmful interventions. Due to amortization, renewing and adding plants has become very critical for the terrain, as well as the central fountain needing some serious reconstruction.

Through collaboration with foreign companies, we have been trying to come up with a comprehensive project to renew Vake Park.

Nowadays recreational zones have become one of the determining factors for the quality of real estate, realising this, the budget has been increased four-fold, amounting to GEL 41 million.

Furthermore, the issue of open soil has been yet another important project. As any pedestrian will have noticed, the amount of dirt in the city had been increasing. The mayor's office has been actively working on covering these areas of soil with grass via hydro-

ponic and traditional methods.

As for the forestation, again there had been no action taken since the Soviet era, so we are conducting active studies towards that end. We believe we will soon have rational solutions to a variety of terrains which will help us in finding adequate means of forestation.

The mayor's office has also created a 5-year plan for waste management, which will soon be undertaken by the tender-winning company. This has been yet another innovation as we have already opened 50 locations around Tbilisi for waste sorting. The project will definitely need private sector support. The constitution has seen some positive change as private manufacturers have become held responsible for their waste. And we will soon hold a more detailed presentation on the matter.

Since February 2018, we have seen yet another positive regulation, as it has now become a requirement to have a recreational zone near any construction site, and development companies will be directly responsible of taking appropriate care of such zones".

Report is part of Green Business Forum, sponsored by Green for Growth Fund, Toyota Caucasus, Holiday Inn, Sena Auto.

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Your Boss Could Be Bad -- or Good -- for Your Heart

BY JULIE RAY
 GULLUP

Cardiovascular disease (CVD) currently kills more Americans each year and costs more than any other disease, including Alzheimer's and diabetes. Over the next decade, the situation will only get worse: By 2030, the prevalence of CVD among those aged 20 and older is projected to top 40%, and direct medical costs are expected to triple to more than \$800 billion.

A recent study published in In-

ternational Journal of Environmental Research and Public Health -- based on data drawn from Gallup surveys of more than 412,000 full-time workers in the U.S. between 2010 and 2012 -- suggests that workplace supervisors could be part of the solution to this deadly and costly problem.

A number of previous studies have established links between workplace stress and CVD risk factors. But because trust is such an important part of social capital, particularly in the workplace, the authors of this study chose to examine the associations between trust at work and seven CVD risk factors:

smoking, obesity, low physical activity, poor diet, diabetes, high cholesterol and high blood pressure.

The authors adjusted the regression models for demographic characteristics with each of the seven risk factors as dependent variables. As their independent trust variable, the researchers used a work environment question that asked: "Does your supervisor always create an environment that is trusting and open, or not?"

Twenty-one percent of all U.S. workers surveyed answered "no." For both women and men, the highest prevalence of mistrust was among workers aged 45 to 64 (wom-

en, 24.4%; men, 23.0%), followed by those in the 30 to 44 age group (women, 22.3%; men, 20.5%).

Overall, the authors found that trust was associated with increased adjusted odds of having many of the seven CVD factors. Among those workers whose supervisor created a mistrustful environment (those who answered "no" to the question), the odds ratios were the greatest (more than 20%) for having four or more of the seven risk factors.

After the authors adjusted for demographic factors and whether respondents had health insurance, they found that trust was associ-

ated with seven CVD risk factors among both women and men in the sample.

Workers who do not work in an open, trusting environment had greater odds of having high blood pressure, high cholesterol and diabetes.

Workers in mistrustful environments also were more likely to be current smokers, have a poor diet and be obese.

Women who work in mistrustful environments had greater odds of low physical activity.

Odds ratios for having four or more risk factors were elevated in mistrustful environments.

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