



buddha-bar™
TBILISI

Prepare your senses for
an extraordinary journey

Rikhe, 0144 Tbilisi, Georgia
Tel: 99532 2 299 222
www.buddhabar.ge

Ivanishvili's team transitions into their new roles



OCTOBER 19 - 25

Business

BUSINESS HEADLINES

Galleria Italiana: classy shop with classy brands

Interview With Rozetta Pizevska, Project Director For The Marketing Kingdom Tbilisi

Enjoy the best dishes and desserts at the best prices in the city...Only in
Focus Café & Restaurant
29 Abashidze Str. Reservations: 223 09 23

| | | | |
|------------------------|--|----------------------------------------------|-----------------------------------------------|
| Waiting for MAP | | Georgia's labyrinth of media politics | EU launches 3 minutes film competition |
| P.2 | | P.4 | P.6 |

BRITISH COUNCIL **LearnEnglish**

General English P.15

TBILISI JAZZ FESTIVAL 2012
20-25 NOVEMBER

NILS LANDGREN FUNK UNIT

JACK DeJOHNETTE GROUP

THE CHICK COREA TRIO
WITH CHRISTIAN McBRIDE & BRIAN BLADE

TBC STATUS
Personal Banking

www.tbilisijazz.com
Tel.: 2 99 05 99 / biletebi.ge

ბილეთები TBC PrimeCard, TBC Status და TBC Platinum ბარათებით შეიძინება მოქმედებს ექსკლუზიური ფასი

New tax amnesty to cancel partial debt of broadcasters

By Baia Dzagnidze

The outgoing Georgian government has offered a new tax amnesty for television stations. Alexandre Khetaguri, the acting Minister of Finance, announced that this is the first time when the government has proposed the mitigation of taxes in order to support the media.

Similar amnesty was carried out in 2010 when parliament erased 36 million Lari in unpaid debt for all Georgian TV channels. However, the new amnesty allows for the write-off of only part of the debt and not all as before.

"Due to the transparency and high interest from the public, all broadcasters should address the Ministry of Finance to implement the corresponding procedures," Khetaguri told the media. He also noted that this initiative will encourage the broadcasters to a secure stable financial position, the development of the television sector and the subsequent increase in competition. The outlets will be better able to attract in-

vestors and expand TV channels in all areas.

This time, like in 2010, the biggest national TV outlets, Rustavi 2 and Imedi, will probably profit the most, reports Transparency International Georgia (TI Georgia), a Tbilisi-based watchdog organization. According to the research carried out by TI Georgia, several local TV outlets are legitimately owned or managed and financed by individuals directly linked to the authorities or the United National Movement party.

TI Georgia predicts that the current reorganization in media ownership shows that the TV sector will continue to be politically polarized.

Consistent with the documents provisionally available on the web page of the Revenue Service in July, Imedi TV allocated 13.9 million lari, Rustavi 25.5 million and the Georgian Public Broadcaster 3.5 million in tax debt. Today, it is not clear if any other broadcasters have tax debts as well.

OP-ED

Georgia's labyrinth of media politics

By Archil Sikharulidze

Approximately two weeks have passed since the UNM (United National Movement) was defeated by its main opposition—the Georgian Dream Coalition, in the parliamentary elections. The country is already shaking from the political, economic and social fall-out. The media seems to be the first to feel the tremors. TV companies once forcefully taken from the legal owners have been returned to the original proprietor or are going to be subjects of litigation.

On October 17, Imedi TV, one of the biggest Georgian TV broadcasters, was returned to the family of the late Georgian tycoon Badri Patarkatsishvili, who founded Imedi in 2003. According to the official statement made by Imedi on Wednesday afternoon, the channel is going to freeze news programming for a month until the Patarkatsishvili family re-arranges the management and policy of the TV.

"Kronika [Imedi TV's news bulletin] will go back on-air in the near future, as soon as the process of [ownership] transfer is complete; suspension of the news bulletins is only temporary," the announcement said.

Before that announcement, members of the Patarkatsishvili family visited the television station's premises with Ina Gudavadze, Patarkatsishvili's widow, saying "I hope that we will again make this channel balanced, impartial and free."

Imedi TV was one of the most controversial cases under the shadows of the Saakashvili government. The channel was forcefully closed by the government in November of 2007 as part of the measures to clamp down on Patarkatsishvili who was supporting the opposition protest rallies. He was charged with an attempt to plot a *coup d'état*, while Imedi TV was blamed for encouraging unrest and calling on the public to participate in illegal activities against the government.

In later developments which have re-



mained in the shadow, Patarkatsishvili fled to the United Kingdom where he was found dead and his business partner Joseph Key took possession of the TV company. This was followed by the transformation of Imedi into a pro-Saakashvili channel. The tycoon's family filed for international arbitration, but in 2011, they withdrew their complaint without disclosing the details of their decision.

Various foreign analysts have noted the Imedi case as an example of the restriction of media freedom and democracy in Georgia.

Even though public interest was high, details of the most recent deal, based on which the Imedi TV will be "transferred" to the former owners—Patarkatsishvili family, have not been made public either.

Currently Imedi, which also includes a radio station, is owned by Georgian Media Production Group, a company in which 45% of shares belong to Giorgi Arveladze, the ex-minister of economy and the former chief of the President's administration. 10% of its shares are owned by Joseph Kay; the rest is owned by two businessmen—Giorgi Korakhashvili (30%) and Giorgi Mikeladze (15%); the latter, according to Civil.ge, contributed 35,000 lari to President Saakashvili's UNM party during the October 1 parliamentary election campaign.

Changes

Not only Imedi, almost all major television stations—the First Public Broadcaster, Rustavi 2 TV, Mze TV, Real TV, PIK TV, TV Sakartvelo are facing changes.

Russian Language PIK TV which is part of the state-funded Public Broadcaster, and was created to support the government's friendly politics in the North Caucasus, has found itself on the edge of

shutting down.

The fate of Real TV and TV Sakartvelo which had alleged links with the government is undecided as well.

Kibar Khalvashi, former owner of Rustavi 2 TV as well as Vano Chkhar-tishvili, the ex owner of Mze TV, have also expressed their wish to have their assets returned, which were taken from them in controversial fashion.

As part of these developments, came news on October 15 from the Ministry of Finance of Georgia, which announced a program that would allow broadcast companies to write off a debt after submitting an official request. Such amnesty was granted two-years ago when the former government wrote off the multi-million lari debts of the mainly pro-governmental broadcasters to avoid bankruptcy.

Lasha Tugushi, editor in chief of *Rezonansi* reacted critically, saying that this is a clear example of corruption and selective justice. Mamuka Glonti, the founder of Maestro TV also noted that Mikhail Saakashvili is trying to write off his own debts, because the majority of channels have been financed and owned by him.

Overall, at this stage, we are witnessing more media panic rather than media development. Both so called pro-governmental media and former government itself are taking drastic measures to somehow adjust to the new reality of the UNM no longer being the 'boss'.

All these have once again confirmed that media, in particular the TV landscape, has been and is still a slave of the Georgia's political situation. The Georgian Dream has announced its ambition to introduce greater freedoms in all aspects of life, including the media, and by the looks of things, there will be more fundamental changes made in media ownership and content ahead.

HOTEL
Shine

Standard single – 45 USD
Standard double – 55 USD
Triple - 75 USD
Semi-Lux – 65 USD
Lux- 85 USD



Address: End of Guramishvili Ave. Tbilisi. Georgia
Tel: (+995) 32 265 45 35 / 265 45 55
Fax: (+995) 32 265 43 43
Web-mail: info@hotelshine.ge
Website: www.hotelshine.ge

TRANSPORTATION COMPANY WEST TRAVEL

VIP and Economy Class Transportation Service With Drivers



Trust Our Experience and Drive Safely.

You Haven't Overpaid and Got :

- Life Insurance
- Insured Vehicles



Office : 032 2 933 100
Cell : +995 577 90 04 10 / 595 30 20 20
E-mail : booking@wt.com.ge

www.wt.com.ge

 www.facebook.com/carsintbilisi

