

ANKARA : Turkey And Georgia To Increase Cooperative Economic Efforts.

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The main reason for the Georgian prime minister's visit to Turkey was to strengthen Turkish-Georgian economic and trade ties and encourage Turkish investment in his country Noghaideli said, "We now have trade between our countries at slightly more than 500 million dollars and we are aiming to reach two billion dollars in 2008. We have set the targets for ourselves and we are very much working in that direction In October the two countries lifted visa restrictions that limited visitors to three months. Now Noghaideli and Erdogan have decided to lift the one-year visa requirement for businessmen In October the two countries lifted visa restrictions that limited visitors to three months. Now Noghaideli and Erdogan have decided to lift the one-year visa requirement for businessmen

ISTANBUL - Turkish Daily News

Georgian Prime Minister Zurab Noghaideli may only be 40 or so years old with a very youthful face, but his career and knowledge suggest a man much older than his years. From studying physics, he went on to become Georgia's finance minister and now prime minister -- approximately a year ago.

Asked how it felt to be prime minister since he was basically considered to be a technocrat, Noghaideli simply said that being the prime minister of Georgia was a very difficult job, especially in a time of transition. "But that's the job I do and I'll try to do it as well as I can."

He expressed his belief that Georgia's future was very bright.

"This government will be able to turn around this situation in quite a short period of time," he told the Turkish Daily News in an exclusive interview. "To speak of government fiscal performance, we have improved revenue collections almost fourfold since 2003. There are important aspects to this and Georgia is no longer perceived as a failed state as it was at the beginning of the century. We are partners with other countries such as Turkey and the United States."

In Istanbul over the weekend where he met with Prime Minister Recep Tayyip Erdogan, State Minister Kursad Tuzmen, Turkish Union of Chambers and Commodities Exchanges (TOBB) Chairman Rifat Hisarciklioglu and several Turkish businessmen, Noghaideli seemed very pleased with the results of his meetings. After all, the main reason for his visit to Turkey was to strengthen Turkish-Georgian economic and trade ties and encourage Turkish investments in his country.

Noghaideli said, "We now have trade between our countries at slightly more than \$500 million and are aiming to reach \$2 billion in 2008."

"We have set the targets for ourselves and are very much working in that direction. We are working to finalize a [elimination of] double taxation agreement in the coming several months. We are working on a trade agreement to be sure that we solve the little problems with the European Commission.

"We should pull ahead with preferential treatment for selected agricultural groups from inside and we are developing trade relations

through that. But the most important probability here is doing business with the sector altogether, which we will make possible."

Noghaideli, whose wife is involved in encouraging trade, in particular is a promoter of Georgian wines and he even describes his country as the cradle of wine. While they can be compared with similar Californian, Chilean and French wines, Georgian wine is still different. So he is working with Turkish authorities on getting Georgian wine on the Turkish market.

The Georgian prime minister went on to say: "I strongly believe in getting Turkish investors to Georgia. One of my main targets as Georgia's prime minister is to get Turkey and Georgia's border gate open, which is not only important for Georgia but for the eastern Anatolian region. Georgia would reach out and increase trade and economic relations with Central Asian countries. And Georgia and Turkey could increase economic ties with European countries and Western European countries. That's what we're aiming at."

The border gate project that was only shown to Prime Minister Erdogan on Saturday would be handled on a build-operate-transfer (BOT) basis. The actual construction is to be completed by April 2007. This new border gate will significantly increase economic ties because, for instance, today there are approximately 250 trucks in the queue at any given time and there are a lot of problems not just for Turkish trucks and transportation companies but for Georgians as well. With the new border gate construction, there won't be such long lines.

In October the two countries lifted visa restrictions that limited visitors to three months. Now Noghaideli and Erdogan have decided to lift the one-year visa requirement for businessmen. This will further enhance Turkish business activity in Georgia and Georgian business activity in Turkey. "We are trying to promote this as one single economic state," stressed Noghaideli.

There is as well a railway project in the works and it is expected that discussions at the end of this month will center on implementing the project.

Asked about rumors that Armenian authorities were less than pleased, Noghaideli noted that they had expressed their concern because they wanted it to operate in a different way but the border between Turkey and Armenia has been closed. He did, however, articulate his hope that Turkish-Armenian relations would improve.

"Meanwhile, we have to implement the project that is for the joint economic interest of the two peoples. It may extend to the Central Asian states and even China but we really hope that relations between Turkey and Armenia will improve."

In coming days, Georgia will announce a tender for the privatization of the energy sector and, hopefully, Turkey will get involved. For instance, Turkish construction companies may be attracted to the next generation hydropower plants. The privatization of Georgia's telephone company and the possibility of Turkish banks opening full-service branches were discussed. Noghaideli believes it is possible to have \$2 billion in Turkish investment in Georgia in 2008.

Georgia and Turkey are among the 12 countries that belong to the Black Sea Economic Cooperation (BSEC) group. Noghaideli said this about the BSEC organization: "It was the idea of late Turkish President Turgut Ozal. I think it is a very visionary approach. Many things have not been realized, unfortunately, but I don't think we should

give up. I think the BSEC will be one of the most important tools we can use...We've been hoping to have a free trade zone in the area. We haven't been able to realize it yet but it is very important. Turkey and Georgia will be working together on it."

And so most likely will BSEC Secretary General Tedo Japaridze who was Georgia's former ambassador to Washington as well as that country's minister of foreign affairs.

Asked about Georgia's relations with Russia, Noghaideli pointed out that two gas pipelines were blown up plus the electricity line cut at approximately the same time. He characterized it as a very well-coordinated terrorist act. "No one should be surprised that our reaction was so harsh. I expected at the same time that Russian authorities would condemn it but they didn't. In one hour we lost 40 percent of our energy supplies.

"We have some positive and negative elements in our relations.

I think that the Russian military base's withdrawal last May was very important. Russian participation in the economic field was another example of cooperation, and Russia was the largest investor in 2005.

But at the same time we have had some negative elements in our relations, South Ossetia, for example. That situation is not good, but I think we will manage it."

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