



WHO OWNS GEORGIA'S MEDIA

TBILISI, 2018

Authors:

Salome Tsetskhladze

Mariam Gogiashvili

Co-author and research supervisor

Mamuka Andguladze

The publication has been prepared with the financial support of the Norwegian Ministry of Foreign Affairs. Transparency International Georgia is solely responsible for the report's content. The views expressed in the report do not necessarily represent those of the Norwegian Ministry of Foreign Affairs.



Norwegian Ministry
of Foreign Affairs

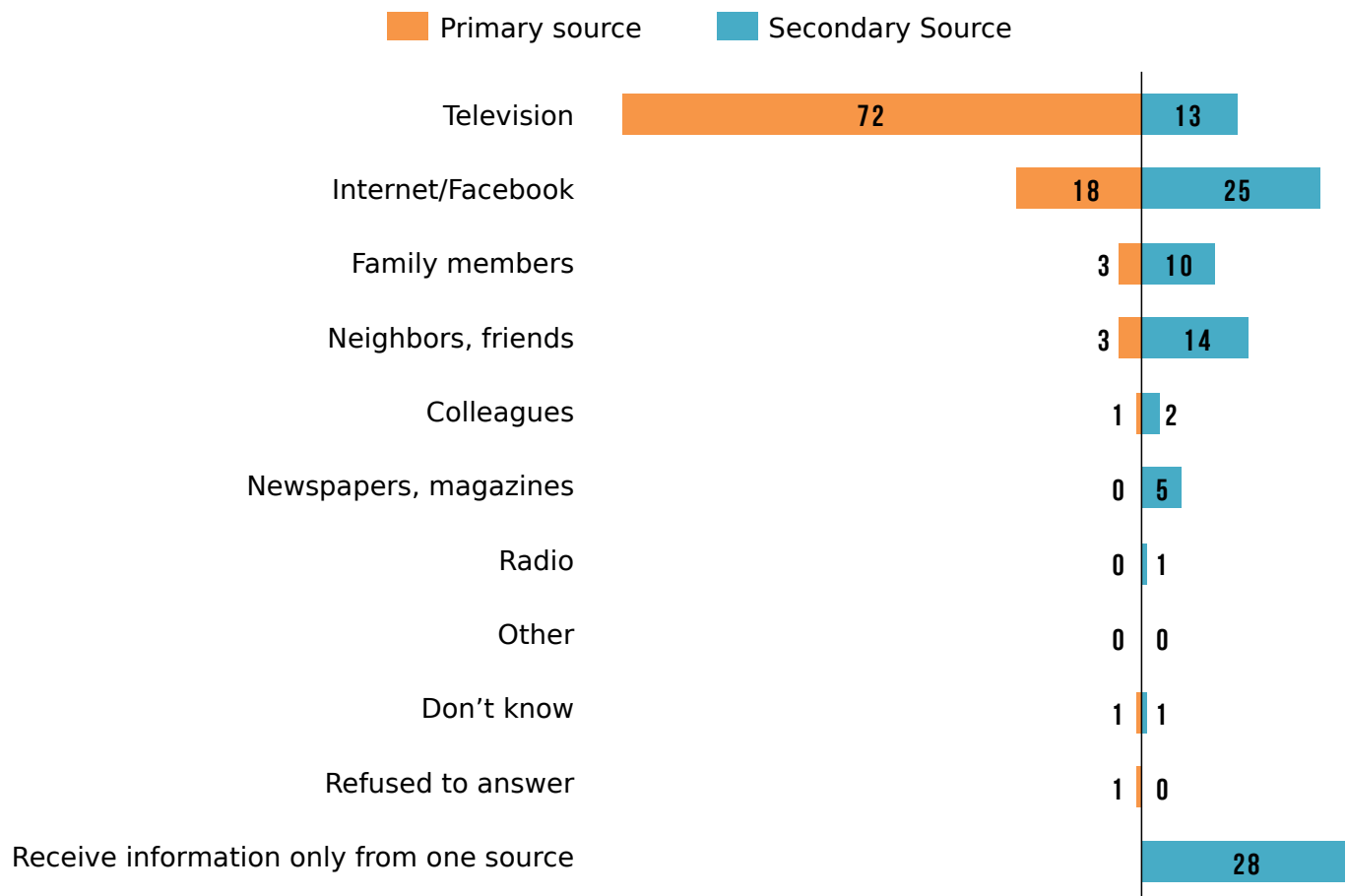
CONTENTS

Introduction	4
Key findings	6
Rustavi 2 Holding	7
Imedi Media Holding	11
Iberia TV	15
TV Pirveli	18
Obieqtivi TV	21
Palitra TV	22
R.B.G.	25
Stereo +	26
Media concentration	27
Recommendations	30

INTRODUCTION

Television is Georgia's most popular medium, representing the main source of information on political issues for decades¹ and having a significant influence on the formation of public opinion.

What are main sources of information for receiving news about Georgian politics and current events (q49, q50)?



Source: NDI/CRRC

So, with politicized media environment, it is important to analyze information about TV owners to identify their possible business or political interests.

This report mainly focuses on media, political and business links of owners of national broadcasters², representing large market players, namely: Rustavi 2 Holding (also incorporating Channel 3 and Channel 4), Imedi Media Holding (incorporating Maestro TV

¹ Public attitudes in Georgia; NDI-commissioned surveys are fielded by the Caucasus Resource Research Centers (CRRC) with the financial assistance of the UK Aid, 18.03.2018, <https://bit.ly/2Umx1eN>

² Law of Georgia on Broadcasting, article 2, paragraph "h" <https://bit.ly/2TMq4zv>

and GDS TV), Iberia TV, Pirveli TV, Obieqtivi TV, Palitra TV, R.B.G and Stereo Plus. According to the current legislation, national broadcasting shall be accessible to at least 90% of the population of Georgia.

Transparency International Georgia analyzed information about owners, business links and alleged political affiliations of these TV channels through the data available from the Registry of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities, declarations, political donors and other open sources. The organization conducted similar study about the ownership of large media outlets in 2014³.

3 Who owns Georgia's media, Transparency International Georgia, 4.04.2014, <https://bit.ly/2U6X0lj>

KEY FINDINGS

- Information about current owners of broadcasters or possible changes is publicly available and transparent;
- Regrettably, Georgian televisions failed to become financially sustainable and independent businesses. Respectively, the problems emerging in other businesses run by the owner have adverse effects on the financial stability of a TV channel;
- TV owners cannot or do not separate television from other businesses that violates journalists' rights and creates an impression that they are used for the owners' private business or political purposes;
- Increased number of TV channels following the country's transfer to digital broadcasting failed to have a positive influence either on the financial state of broadcasters, or on de-politicization of media environment.

RUSTAVI 2 HOLDING

Rustavi 2 is one of the most influential TV channels critical towards the government. Rustavi 2 TV ownership dispute has been the most high-profile case in Georgia's media over the past years that triggered strong criticism from local civil society sector, international organizations and foreign diplomats accredited in Tbilisi.⁴

Specifics/Type of broadcasting – All the three televisions incorporated in Rustavi 2 Holding are national broadcasters. Rustavi 2 is a general broadcaster, meaning that it is committed to broadcasting news, social, political, analytical and sport programs. Channel 3 (former “Comedy Channel”) and Channel 4 (former “Marao”) have analytical and entertainment formats, respectively⁵.

Revenues – In 2018, Rustavi 2 reported total revenues of GEL 32.3 million with GEL 27.1 million received from advertising⁶.

Owners

Rustavi 2 TV is owned by brothers⁷, Levan Karamanishvili (22%) and Giorgi Karamanishvili (18%), as well as Nino Nizharadze (9%) and TV Company Sakartvelo (51%). A 50% share in TV Company Sakartvelo⁸ is owned by the Karamanishvili brothers and the remaining 50% was purchased by Nikoloz Nakopia, who has a dual Georgian-Russian citizenship, several months ago. Thus, the controlling stake in Rustavi 2 TV is owned by the Karamanishvili brothers.

- **Giorgi Karamanishvili and Levan Karamanishvili:** Besides the shares in Rustavi 2 TV and TV Company Sakartvelo, Giorgi Karamanishvili also owns a 50% share in GEOKOR Ltd⁹. The Karamanishvili brothers are close associates of ex-President Mikheil Saakashvili.¹⁰ The search for other companies registered under their names in the Entrepreneurial Registry proved unsuccessful; however for years, a number of businesses, among them Beeline, Tbilisi Bus and Caucasus Online,¹¹ have been associated with the name of the Karamanishvili brothers. According to the data of the Public Registry of Georgia, Levan Karamanishvili is a representative of the company Newcom Association Limited in Georgia.¹² In turn, Newcom Association Limited registered in the British Virgin Islands

4 Election Media Monitoring – Final Report 2016-2018, The Georgian Charter of Journalistic Ethics, <https://bit.ly/2CYG0bd>

5 Georgian National Communications Commission, <http://tinyurl.com/yya9jms8>

6 Revenues from advertising involve ads/sponsorship

7 Extract from the Entrepreneurial Registry, <https://tinyurl.com/ybjzb7px>

8 Extract from the Entrepreneurial Registry, <https://tinyurl.com/y39gbztb>

9 Extract from the Entrepreneurial Registry, <https://goo.gl/iyugMS>

10 Rustavi 2 and Mze owned by the family of Saakashvili's friend, 28.12.2011, <https://bit.ly/2GD18GJ>

11 Who owns Georgia's media, Transparency International Georgia, 4.04.2014, <https://bit.ly/2U6X0lj>

12 Extract from the Entrepreneurial Registry, <https://tinyurl.com/y3lnkapr>

owns a 100% stake in GMC holding¹³.

- **Nino Nizharadze** - Nino Nizharadze inherited 9% of shares in Rustavi 2 TV from her husband, former director of the TV channel, Giorgi Gegeshidze, who died in March, 2014.¹⁴ Besides the TV channel, she also owns shares in several other companies, in particular,¹⁵ Business Center Saga (13.21%), Geo Real Group (3%), which owns office areas, also the companies Kvachi (33%), Bedegi (7%) and Pilimaska.ge (12.5%); the latter is involved in leather production and trade. Gegeshidze was a business partner of Irakli Chikovani, former chairman of the Georgian National Communications Commission. TI Georgia has numerous raised the issue of conflict of interests involving Chikovani.¹⁶

The new government launched a number of investigations against the companies affiliated to Gegeshidze. In 2013, the local government in Mtskheta accused Kvachi of allegedly misappropriating land parcels in Mtskheta. Another company Magi Style, owned by Gegeshidze, also featured in the case (the company is no longer owned by Nino Nizharadze).¹⁷

In 2013, Giorgi Kurtskhalia, the founder and director of Meno International, was charged with embezzlement of large amounts of public funds. Meno International was a lead contractor for the construction of the Kutaisi Parliament building¹⁸ (presently, Nino Nizharadze owns no shares in Meno International either).

- **Nikoloz Nakopia** - Nakopia purchased a stake in the TV Company Sakartvelo from the Karamanishvili brothers in August 2018 and committed himself to invest USD 4 million.¹⁹ Nikoloz Nakopia is the son of MP Koba Nakopia, who entered the Parliament on the United National Movement's party list.²⁰ Until 2012, Koba Nakopia had business interests²¹ in JSC Madneuli and Quartzite Ltd. Nakopia notes in his asset declaration for 2018²² that he owns 100% of shares in the company Gold Invest and the company Bioneli Limited registered in the British Virgin Islands. In 2016, Koba Nakopia donated GEL 12,500 to the United National Movement.

13 Extract from the Entrepreneurial Registry, <https://tinyurl.com/yye4dpcs>

14 One of the owners of Rustavi 2, Gogi Gegeshidze has died, www.ipn.ge, 03.03.2014, <https://bit.ly/2CeRyWL>

15 Extract from the Entrepreneurial Registry, <http://tinyurl.com/y2eyzhhc>

16 Audio recording highlights conflict of interest of top media and telecoms regulator, TI Georgia, 12.11.12, <https://bit.ly/2UrK5Q3>

17 News briefing on misappropriation of land parcels, <http://www.gurianews.com>, 22.03.2013, <https://bit.ly/2D5Kcp4>

18 Director of Meno International, Giorgi Kurtskhalia was brought to justice, www.ipn.ge, 04.10.2013, <https://bit.ly/2Uwqb23>

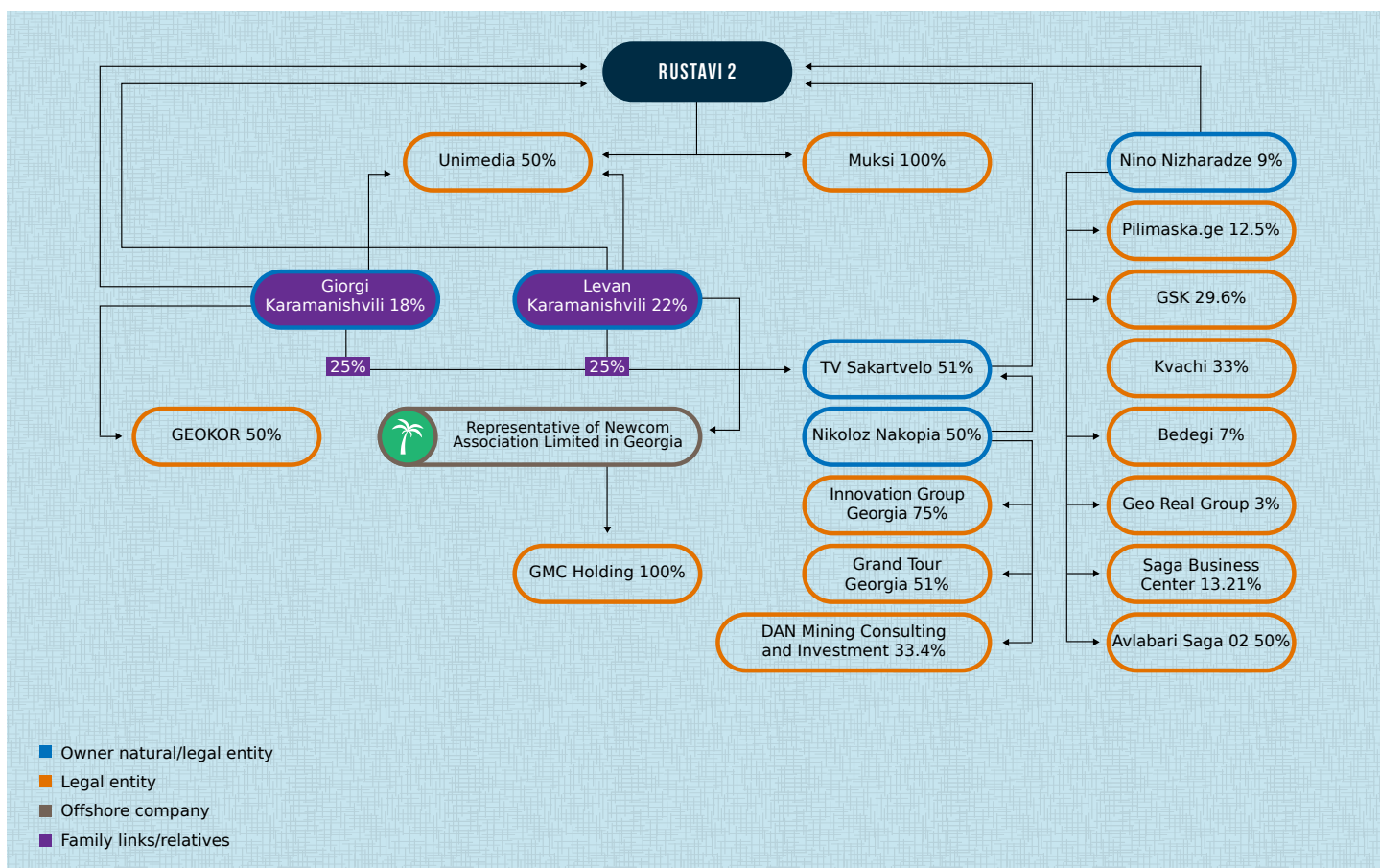
19 Extract from the Entrepreneurial Registry, <https://tinyurl.com/y9vpe6hl>

20 The Parliament of Georgia, <http://www.parliament.ge/en/mp/2128>

21 "Who is the new owner of Madneuli and Quartzite?" www.netgazeti.ge, 18.06.2012, <http://netgazeti.ge/business/14540/>

22 An asset declaration of an official, <https://declaration.gov.ge/Home/DownloadPdf/111874>

As for Nikoloz Nakopia, he owns shares in several companies,²³ among them DAN Mining Consulting and Investment (33.4%), Innovation Group Georgia (75%),²⁴ travel agency Grand Tour Georgia (51%).²⁵



Rustavi 2 TV ownership dispute

Dispute over Rustavi 2 TV ownership has been underway for years. In 2015, Kibar Khalvashi, Georgian Dream-affiliated businessman and former owner of the television station, filed a lawsuit seeking to claim back his shares in the broadcaster and demanding to freeze the shares of Rustavi 2 TV partners.²⁶ The court ordered to freeze the assets of Rustavi 2 TV first and later the assets of TV Company Sakartvelo, owner of a 51% stake in the television station.²⁷ Khalvashi applied to court demanding to freeze the shares of TV Company Sakartvelo after he learned that Dimitri Chikovani, brother-in-law of Davit Kezerashvili, intended to buy

23 Extract from the Entrepreneurial Registry, <https://tinyurl.com/ybxdzvow>

24 Extract from the Entrepreneurial Registry, <https://tinyurl.com/ybltrck3>

25 Extract from the Entrepreneurial Registry, <https://tinyurl.com/y7kgup2n>

26 Kibar Khalvashi filed a lawsuit in court seeking to claim back his shares in Rustavi 2 TV, www.ipn.ge, 5.08.2015, <https://bit.ly/2MWtopb>

27 The court ruled that Kibar Khalvashi was the owner of a 100% stake in Rustavi 2 TV, www.netgazeti.ge, 3.11.2015, <http://netgazeti.ge/news/72966/>

the TV Company for USD 400 000.²⁸ He planned to invest USD 6 million in Rustavi 2 TV. Kezerashvili served as Head of Georgia's Financial Police and then as Defense Minister in Saakashvili's administration; later he became one of the most influential businessmen.²⁹ The deal, however, was not finalized due to the court ruling.

In late 2015, the Tbilisi City Court ruled in favor of Kibar Khalvashi; its ruling was later upheld by the Court of Appeals and the Supreme Court.³⁰ The court hearings were held with active involvement of local and foreign observers, international organizations and foreign diplomats, as well as amid fierce protests, as there were legitimate doubts that the dispute had been inspired by the government with the aim to change the broadcaster's editorial policy through changing hands.³¹ Eventually, the Strasbourg-based European Court of Human Rights (ECHR) made an unprecedented decision within the meaning of *interim measures* to temporarily suspend the enforcement of the Supreme Court's decision pending ECHR's final ruling.³²

It is worth noting that Rustavi 2 TV shares and property remain frozen. In 2016, the Court of Appeals ruled to unfreeze the assets of TV Company Sakartvelo³³ that enabled Nikoloz Nakopia to buy the shares in the TV Company.

28 Assets of TV Company Sakartvelo, owner of a 51% stake in Rustavi 2 TV, were frozen, www.tabula.ge, 1.10.2015, <https://bit.ly/2DSMYzs>

29 Who Owned Georgia, 2003-2012, Transparency International Georgia, 2012, <https://bit.ly/2U4cTsV>

30 The Supreme Court ruled in favor of Kibar Khalvashi, www.imedineews.ge, 2.03.2017, <https://tinyurl.com/y7sxyoqb>

31 Fair Resolution of Rustavi 2 Case Is Important, Transparency International Georgia, 22.11.2016, <https://bit.ly/2E6ra3J>

32 The Strasbourg court suspends the enforcement of the Supreme Court's decision, Radio Liberty, 04.03.2017, <https://bit.ly/2Gqh3sj>

33 The Court of Appeals unfreezes TV Company Sakartvelo's assets, www.netgazeti.ge, 20.05.2016, <http://netgazeti.ge/news/116298/>

Imedi TV, like Rustavi 2 TV, is one of the most influential private broadcasters in the country. The television station was founded by late tycoon Badri Patarkatsishvili and it was widely known for its criticism of the former government. But during the November 2007 developments, Imedi TV was raided and later it changed hands. Following the 2012 parliamentary elections, the broadcaster was returned to the Patarkatsishvili family.³⁴

Specifics/Type of broadcasting – Imedi Media Holding incorporates three TV channels. **Imedi TV** intensively covers news, as well as social and political issues. The TV channel also airs analytical and entertainment programs. As for **Maestro TV**, it mainly focuses on news and **GDS TV** is an entertainment channel.

Revenues

- In 2018, Imedi TV reported total revenues of GEL 28.6 million with GEL 22 million received from advertising.
- Total revenues received by GDS amounted to GEL 0.8 million with the entire amount received from advertising;
- Maestro reported revenues of GEL 0.4 million and the entire amount was received from advertising.

Owners

Imedi TV is held by the Georgian Media Production Group, which is owned by Ina Gudavadze, widow of late tycoon Badri Patarkatsishvili.³⁵ Gudavadze is a British citizen named among the richest women in Britain with £650 million.³⁶ The Patarkatsishvili family regained control over Imedi TV following the National Movement's defeat in the 2012 parliamentary elections.³⁷

The Georgian Media Production Group also comprises Radio Imedi, the production company Imedi Films, Badri Patarkatsishvili Memorial Media School, the company Touch Media and Aisi TV; the latter is presently non-operational.³⁸

Ina Gudavadze owns shares in the following companies:³⁹ Geo-Flora, Sigma 2017, Alfa

34 Election Media Monitoring – Final Report 2016-2018, The Georgian Charter of Journalistic Ethics, <https://bit.ly/2CYG0bd>

35 Georgian National Communications Commission, <https://bit.ly/2UtpiHi>

36 Ina Gudavadze named among the richest women in Britain, www.imedineews.ge, 05.012017, <http://tiny.cc/v0my2y>

37 Regaining control over Imedi, Radio Liberty, 17.10.2012, <https://www.radiotavisupleba.ge/a/medi-tv/24742578.html>

38 Extract from the Entrepreneurial Registry, <http://tiny.cc/bzjb2y>

39 Extract from the Entrepreneurial Registry, <https://bit.ly/2ltxmqq>

2017, Beta 2017. According to business search portal, Gudavadze also owns a restaurant Sanapiro in Batumi (Gama+)⁴⁰ and a café Flowers (Geo-Flora).⁴¹

Gudavadze also holds shares in large businesses, among them mineral water company Borjomi,⁴² HeidelbergCement Georgia⁴³ and Magticom, one of the largest telecom operators. She also owns Mtatsminda amusement park and Rustavi Steel, a metallurgical plant in Rustavi.⁴⁴

Noteworthy that GDS and Maestro have joined the Imedi Media Holding that has further increased media polarization.

- **Maestro TV** – Maestro TV was considered one of the vocal critics of the government before Georgian Dream came to power. In late 2014, a large group of journalists quit the TV channel, citing the interference by the owners in the TV channel's editorial policy.⁴⁵ In 2015, Maestro TV launched bankruptcy proceedings in court. In January 2016, Imedi TV bought an ad time on Maestro TV and a month later, Giorgi Gachechiladze, a singer with a nickname Ucnobi (unknown), became holder of controlling stakes (55%) in Maestro TV.⁴⁶ Giorgi Gachechiladze was a friend of former Prime Minister Giorgi Kvirikashvili.⁴⁷ After purchasing the controlling shares, Giorgi Gachechiladze's brother, Levan Gachechiladze was appointed as the new director of TV channel. The latter was the united opposition's candidate in the 2008 early presidential elections, who was defeated in the race by Mikheil Saakashvili.

Formally, 55% of shares in Maestro TV are still owned by Giorgi Gachechiladze and informally – by Imedi TV. In particular, according to the Georgian National Communications Commission, 25% of shares in Maestro TV are owned by Media Finance Group B.V. with Ina Gudavadze being its final beneficiary. This share was sold to Gudavadze by Maka Asatiani, a famous designer, businesswoman and a wife of Russian-based wealthy businessman, Kote Gogelia. Gudavadze confirmed in late 2016 that she bought the controlling shares in Maestro TV and Gachechiladze claimed that he sold 30% of his 55% share⁴⁸ to Gudavadze that, however, is not reflected in the Entrepreneurial Registry. Therefore, it is unknown

40 Business search portal, <https://www.bia.ge/Company/20278>

41 Business search portal, <https://www.bia.ge/EN/Company/7518>

42 The controlling shares in IDS Borjomi were bought by the consortium owned by Russian billionaire, Mikhail Fridman, www.netgazeti.ge, 28.01.2013, <http://netgazeti.ge/business/19020/>

43 Ivanishvili's Co-Investment Fund purchased the shares in HeidelbergCement, Tabula, 11.11.2017, <http://tiny.cc/0ikb2y>

44 How matters stand in the Rustavi Metallurgical Plant – Review, Transparency International Georgia, 27.03.2015, <https://tinyurl.com/yxzvtxg3>

45 Zhizhilashvili: Gogelia told me that Maestro will become ideologized, pro-Georgian, www.tabula.ge, 22.12.2014, <https://bit.ly/2STgr4F>

46 A new reality at Maestro – timeline showing the changes in the TV Company's ownership and management, Transparency International Georgia, 5.02.2016, <https://bit.ly/2UF4dgT>

47 Gia Gachechiladze: I meet the Prime Minister every two days, www.tabula.ge, 4.02.2016, <https://tinyurl.com/yaz2v4wx>

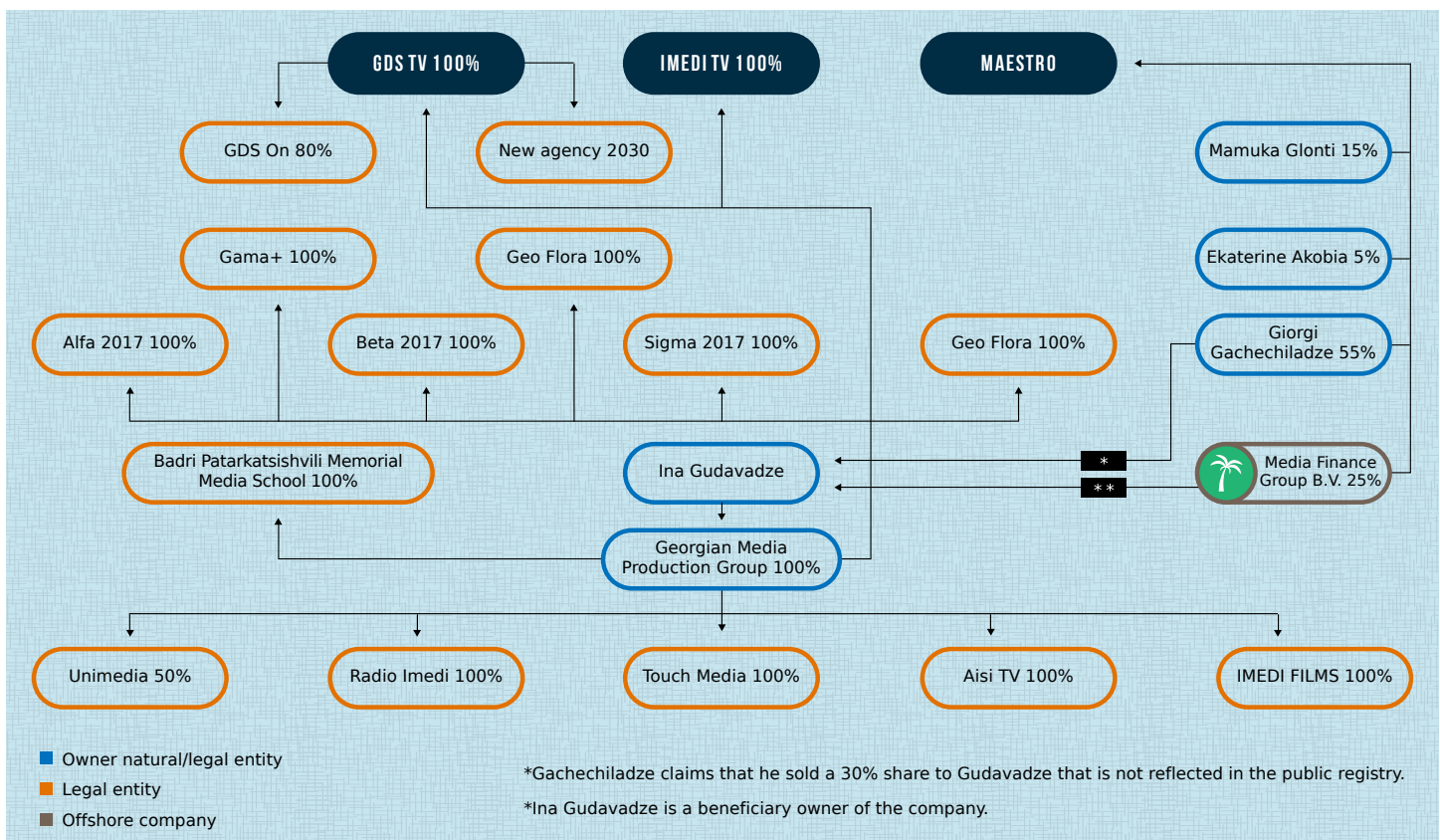
48 GDS has turned into an entertainment channel, what will happen to Maestro? www.netgazeti.ge, 21.02.2017, <http://netgazeti.ge/news/174606/>

how much the Patarkatsishvili family paid for it. In the interview with Netgazeti, Giorgi Gachechiladze actually confirmed that he sold his shares.⁴⁹

As for other shareholders, Mamuka Glonti, founder of Maestro TV, holds 15% of shares and 5% is owned by Maestro's former executive producer, Ekaterine Akobia.⁵⁰

- **GDS** – Following Maestro TV, in early 2017, Imedi TV also bought GDS TV.⁵¹ This public and political channel was owned by the family of former Prime Minister Bidzina Ivanishvili. According to the agreement available at the public registry, the parties will determine a share price and a payment rule within seven months after selling the share,⁵² however the price paid by Imedi for GDS TV remained unknown to the public. Presently, GDS operates as an entertainment channel.⁵³

It is worth noting that during the 2018 presidential elections, the Patarkatsishvili family donated a total of GEL 180 thousand to the ruling party-endorsed candidate, Salome Zourabichvili.⁵⁴



49 We have bought the controlling shares in Maestro TV, negotiations with GDS are coming to an end, www.netgazeti.ge, 27.12.2016, <http://netgazeti.ge/news/164821/>

50 Georgian National Communications Commission, <https://bit.ly/2Ust4Rs>

51 Imedi buys 100% of shares in GDS TV, www.on.ge, 01.02.2017, <http://go.on.ge/8nq>

52 Extract from the Entrepreneurial Agency, <http://bit.do/eE4hQ>

53 GDS has turned into an entertainment channel, what will happen to Maestro? www.netgazeti.ge, 21.02.2017, <http://netgazeti.ge/news/174606/>

54 The Patarkatsishvili family donated GEL 180 000 to Zourabichvili on the day when audio recordings were released, www.on.ge, 22.10.2018, <http://go.on.ge/v6t>

Famous businessman Irakli Rukhadze, chairman of the broadcaster's supervisory board and manager of other companies owned by the Patarkatsishvili family, is also affiliated with Imedi TV. It was just Rukhadze who helped Giorgi Gachechiladze become the owner of controlling shares in Maestro TV, after lending him money to buy Maestro, citing business interests.⁵⁵ It was reported for multiple times in 2018 that he intended to buy Imedi TV, but the fact was not confirmed documentarily.⁵⁶

In 2017, European Financial Group B.V(EFG) bought a 74.64% stake in Liberty Bank, making Irakli Rukhadze one of the bank's beneficiary owners⁵⁷ and chairman of its supervisory board.⁵⁸ It should be noted that according to the British Chamber of Commerce, Irakli Rukhadze who worked for a foreign company and assisted the Patarkatsishvili family in searching for the late tycoon's assets, misappropriated businesses of this foreign company.⁵⁹

Irakli Rukhadze's mother, Natela Sakhokia was a member of Georgian Public Broadcaster's board of trustees. She was named by Georgian Dream. But after Rukhadze's appointment as the chairman of Imedi's supervisory board, she quit her position due to alleged conflict of interests.⁶⁰

55 Irakli Rukhadze: VTB Bank planned to buy Maestro, www.liberali.ge, 10.02.2016, <https://bit.ly/2SbnAxV>

56 Will Irakli Rukhadze buy Imedi? www.netgazeti.ge, 23.04.2018, <http://netgazeti.ge/news/270272/>

57 Irakli Rukhadze becomes owner of Liberty Bank, www.tabula.ge, 16.10.2017, <http://bit.do/eHJY2>

58 Extract from the Entrepreneurial Registry, <https://bit.ly/2HRWbfl>

59 British court: Irakli Rukhadze has misappropriated Salford's money, www.tabula.ge, 15.11.2018, <https://bit.ly/2BAxVJa>

60 Irakli Rukhadze becomes chairman of Imedi board – Natela Sakhokia quits GPB, www.liberali.ge, 20.06.2016, <https://bit.ly/2N5yEge>

Iberia TV, a Tbilisi-based station, suspended broadcasting ahead of the 2018 presidential elections. The TV channel's management claimed that it was the government that shut down the broadcaster by creating artificial problems to the owner's other business and the main funding source of Iberia TV. The fact is that the TV channel was unprofitable and mostly functioned at the expense of subsidizing. Several months after Iberia TV stopped broadcasting, its authorization was suspended.

Specifics/Type of broadcasting – The television station mostly focused on news, as well as public and political programs, but it also aired a number of analytical programs.

Revenues - In 2018, Iberia TV reported total revenues of GEL 2.2 million with the entire amount received from advertising.

Owners

According to official documents, a 100% stake in Iberia TV is owned by Benmont LTD, which, in turn, is owned by brothers, Rati Okuashvili and Giorgi Okuashvili.⁶¹ The two inherited the shares from their parents, Nato Chkheidze and Zaza Okuashvili after they were elected in the legislative bodies (Nato Chkheidze entered the Parliament of Georgia in 2016 on the Alliance of Patriots party list⁶² and Zaza Okuashvili was elected a member of the Supreme Council of Adjara representing the same party).⁶³ The law prohibits officials to own a television station. However, amid ongoing crisis around Iberia TV, neither its real owners, the Okuashvili brothers, nor its official director, Mariam Japaridze made public appearances. Official statements were made by Nato Chkheidze and Zaza Okuashvili that actually meant that the broadcaster was run by them.

According to his asset declaration,⁶⁴ Zaza Okuashvili has no official shares in the companies, but the ongoing business dispute with the government clearly shows that he has business interests in Omega Group,⁶⁵ a Georgian business conglomerate. Omega Group, according to its website,⁶⁶ includes the cigarette manufacturer OGT; Omega 2, which distributes cigarettes; the publishing house Omega Tag (Ilioni Ltd) and Omega Motors, car importer. Omega Group cooperates with a number of companies, among others BMW, MINI, IVECO,

61 Georgian National Communications Commission, <http://gncc.ge/uploads/other/3/3013.pdf>

62 Nato Chkheidze announced about her decision to quit the Alliance of Patriots on September 17, 2018, citing the party's insufficient support to the Omega Group, Radio Liberty, 19.10.2018, <https://www.radiotavisupleba.ge/a/29498370.html>

63 Following a scandal around Omega Group, the Adjara Supreme Council stripped Zaza Okuashvili of his MP credentials upon the latter's request, www.betumelebi.ge, 24.01.2019, <http://batumelebi.netgazeti.ge/news/178710/>

64 An asset declaration of an official, 28.02.2018, <https://declaration.gov.ge/Home/DownloadPdf/108379>

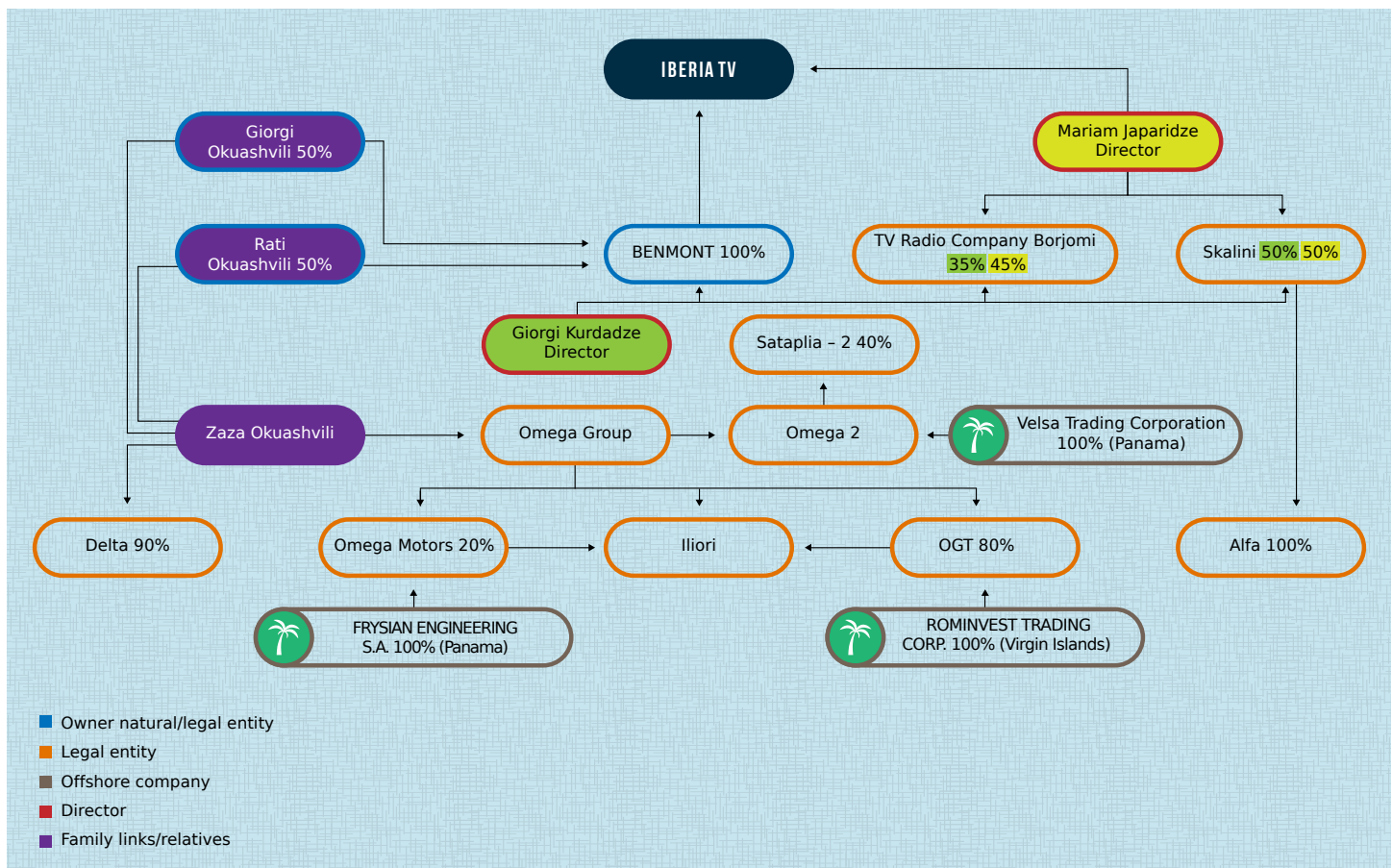
65 Smoke of Corruption: The Grand Scheme to Allocate the Tobacco Market, Transparency International Georgia, 26.09.2018, <https://bit.ly/2Q5CP5R>

66 www.omega.ge

and Chevrolet. According to the Entrepreneurial Registry, these companies are registered offshore.

According to his asset declaration, Zaza Okuashvili owns bonds and securities worth USD 5.2 million in Panama and Switzerland. Okuashvili's name also appeared in Panama's scandalous documents, according to which he owned three companies in Panama: DAGMAR FINANCE GROUP INC., Velsan Trading Corp. and Finley Trading.⁶⁷

Mariam Japaridze, director of Iberia TV, owns 45% of shares in regional TV Radio Company Borjomi.⁶⁸ 35% of shares in the same company are owned by Giorgi Kurdadze, who, according to the Entrepreneurial Registry, is the director of the company Benmont, owner of Iberia TV, and a number of companies incorporated in Omega Group.



Problems at Iberia TV

Iberia TV went off air on October 16, 2018. The TV channel's management accused the government of shutting down the television station. Few days before this statement, journalists of Iberia TV expressed protest over freezing the assets of Omega Group, owner of the TV channel that actually meant the channel's closure. They claimed that Iberia TV's critical editorial policy prompted the government to make this decision; however, nobody

⁶⁷ Georgians in Panama Black Box, <http://forbes.ge>, 16.06.2016, <http://forbes.ge/news/3678/biznesi-da-politika>

⁶⁸ Georgian National Communications Commission, <http://gncc.ge/uploads/other/2/2455.pdf>

explained exactly what type of pressure was exerted on Iberia TV.⁶⁹ The Finance Ministry's Revenue Service denied the allegations, saying the decision was related to a GEL 52 million debt accrued by the television station.⁷⁰

The statement came after a number of secretly recorded audio tapes were aired by Rustavi 2, allegedly featuring Zaza Okuashvili, who accuses former and incumbent government officials of corruption. The local civil society organizations called on the owners and government not to cause harm to television station and journalist amid ongoing dispute, but Iberia TV still went off air. Tens of journalists from Iberia TV are still involved in legal proceedings to restore their violated rights and receive compensations.

69 Iberia TV's case in brief, www.mediachecker.ge, 23.10.2018, <https://bit.ly/2H86djf>

70 The Ministry of Finance of Georgia, <https://mof.ge/News/8664>

Although being a new medium, TV Pirveli has been actively positioning on television market during four years of its existence, while its influence and financial revenues have been increasing consistently.

Several years ago the broadcaster's founder faced problems with a partner in another business that was reportedly inspired by the government, as the ruling force was unsatisfied with the broadcaster's editorial policy.

Specifics/Type of broadcasting – TV Pirveli⁷¹ launched broadcasting in 2015. Initially, it was established as a sports channel TVS owned by Ketevan Japaridze, spouse of Vakhtang Tsereteli who is a son of businessman Avtandil Tsereteli. But soon the TV channel received a general broadcasting license, changed its name and started to cover social, political and economic issues.

Revenues - In 2018, TV Pirveli reported total revenues of GEL 3.4 million with GEL 3.2 million received from advertising.

Owners

In 2017, Ketevan Japaridze gifted her 100% stake in TV Pirveli to her husband, Vakhtang (Vato) Tsereteli. Vato Tsereteli's father is a famous businessman, Avtandil (Chuta) Tsereteli.

Tens of non-operational and operational companies can be searched registered under the name of Vakhtang Tsereteli.⁷² Among them are travel agency Night Office Travel (40%), business center Green Office (100%), advertising company Iberia Stars Production (37.5%), audit company Consulting Port (49%), distribution company Geo Invest (50%), as well as Art Iberia Stars (40%), Samgori Trade (50%), Samgori M (20%), Lucky Door (11%), Ticket Office (40%), Geo Gold (20%), Pirveli Food (100%), Agro Pirveli (55%), L.G. Power Solutions (30%).

Tens of companies are registered under the name of Vakhtang Tsereteli's wife, Ketevan Japaridze⁷³ and his father, Avtandil (Chuta) Tsereteli.⁷⁴ For years, Avtandil Tsereteli had been associated with tobacco business and owned shares in one of the largest local tobacco producers Tbilisi Tobacco.⁷⁵

Business problems faced by TV Pirveli owners

In summer 2017, the owners of TV Pirveli faced some problems with the government, but

71 Georgian National Communications Commission, <http://gncc.ge/uploads/other/2/2532.pdf>

72 Extract from the Entrepreneurial Registry, <https://goo.gl/QUXVtD>

73 Extract from the Entrepreneurial Registry, <http://bit.do/eE8kg>

74 Extract from the Entrepreneurial Registry, <http://bit.do/eE8kj>

75 Extract from the Entrepreneurial Registry, <http://bit.do/eE8kv>

they never spoke about it publicly. Later in February 2018, the TV channel's owner and leading journalists held a closed meeting with the representatives of local non-governmental organizations and briefed them on the developments around the television station. Another closed meeting was held with foreign diplomats.

Later, journalist Nino Zhizhilashvili of TV Pirveli announced publicly that the TV channel was recently signaled to change its content in the future.⁷⁶ Then Minister of Education and Science, Aleksandre Jejelava and then Economy Minister Dimitri Kumsishvili, who simultaneously served as Deputy Prime Ministers, were named among government officials creating problems to TV Pirveli. Dissatisfied with the broadcaster's editorial policy, the government demanded TV Pirveli, through Vakhtang Tsereteli's business partner, Temur Ugulava, to give up its shares so as to have the right to appoint and manage the director. Otherwise, Tsereteli was threatened to lose his shares in Adjarabet. Moreover, there was a danger to lose the building housing TV Pirveli, as well as private residential areas.⁷⁷ Later, Netgazeti reported that Temur Ugulava paid USD 4 million to Tsereteli and a person affiliated to him in exchange for the shares in various companies.⁷⁸

It is not the first case when the government expressed its desire to allegedly interfere in TV Pirveli's editorial policy.

The names of Vakhtang Tsereteli and Avtandil Tsereteli were also mentioned in the controversial case related to TBC Bank, the leading Georgian banking company. The Prosecutor's Office accuses Mamuka Khazaradze, the founder of the bank and former chairman of its supervisory board, as well as his deputy, Badri Japaridze of money-laundering involving a USD 17 million transaction that took place in 2008. The names of Avtandil Tsereteli and Vakhtang Tsereteli, namely two companies owned by the latter – Samgori Trade and Samgori M - are also featuring in the scheme. Vakhtang Tsereteli, however, denies all allegations.⁷⁹ Later, the Prosecutor's Office released a written threat, which according to Khazaradze was sent to him by Interior Minister Giorgi Gakharia ahead of the second round of the presidential elections in 2018. The Interior Minister demanded TV Pirveli to change its editorial policy. In particular, according to the letter, Gakharia demanded TV Pirveli to follow Imedi TV's suit and move to emergency broadcasting.⁸⁰ Vakhtang Tsereteli said later that TV Pirveli perceived the letter as a desire to impose control on an independent and impartial TV channel.⁸¹

76 "There were signals to change TV Pirveli's content," [www.netgazeti.ge](http://www.netgazeti.ge/news/253378/), 16.02.2018, <http://netgazeti.ge/news/253378/>

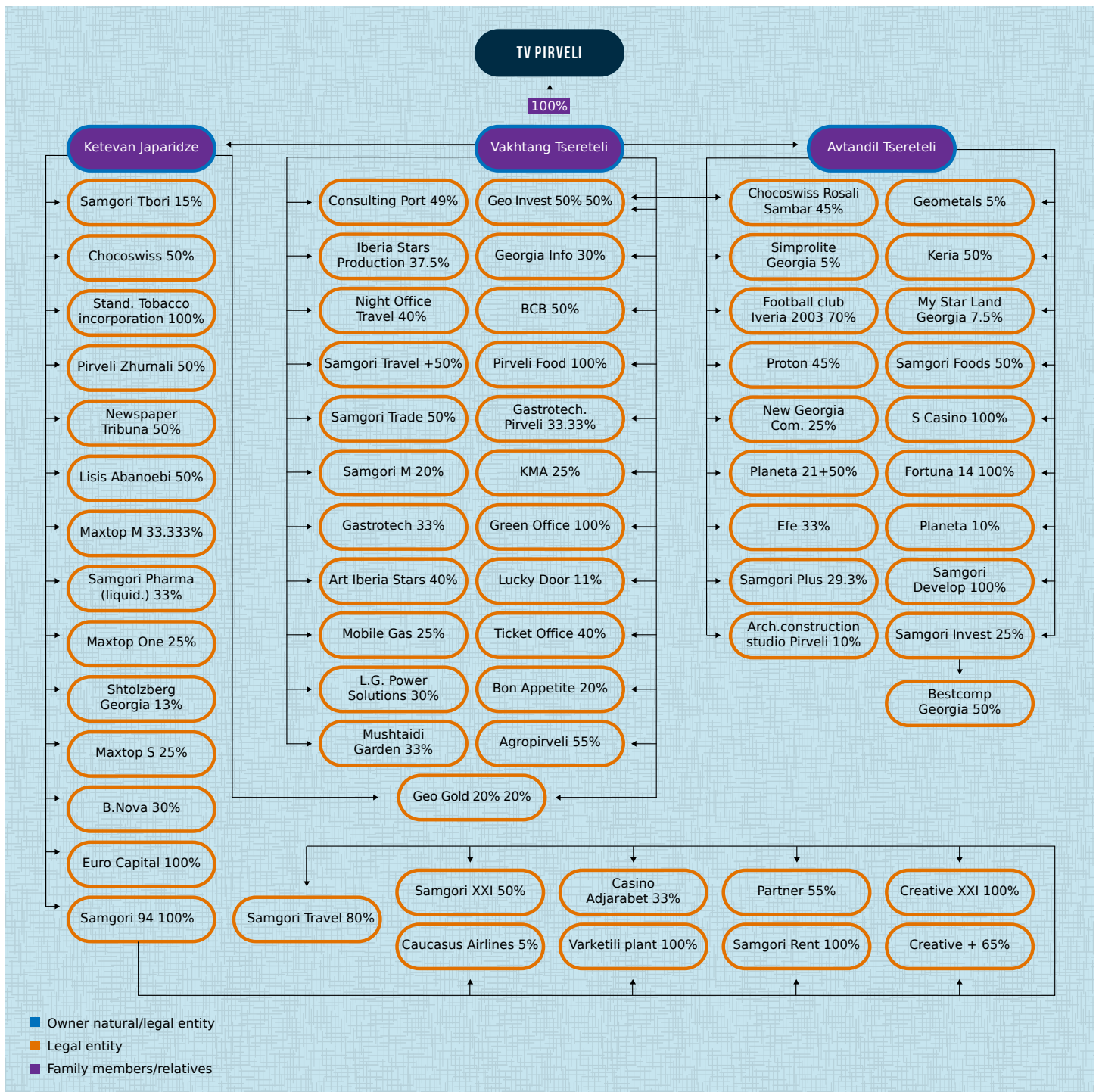
77 USD 4 million and "solved problems" of TV Pirveli, [www.netgazeti.ge](http://www.netgazeti.ge/news/254384/), 21.02.2018, <http://netgazeti.ge/news/254384/>

78 USD 4 million and "solved problems" of TV Pirveli, [www.netgazeti.ge](http://www.netgazeti.ge/news/254384/), 21.02.2018, <http://netgazeti.ge/news/254384/>

79 Nobody has summoned me for questioning – TV Pirveli owner about TBC Bank case, [www.netgazeti.ge](http://www.netgazeti.ge/news/333131/), 10.01.2019, <http://netgazeti.ge/news/333131/>

80 written threat against Mamuka Khazaradze – transcript, Radio Liberty, 6.03.2019, <https://bit.ly/2HfAMf4>

81 A desire to control the channel is clearly seen in the letter – TV Pirveli, www.on.ge, 6.03.2019, <http://go.on.ge/10h7>



Obieqtivi TV launched its broadcasts many years ago. A number of researches and monitoring reports have noted that the broadcaster's journalists, as well as invited guests regularly spread homophobic and xenophobic statements.⁸²

Specifics/type of broadcasting – the television station mostly focuses on news, as well as public and political programs.

Revenues - In 2018, Obieqtivi TV reported total revenues of GEL 1.9 million with GEL 0.4 million received from advertising.

Owners

Obieqtivi TV was founded in 2010 with incumbent MP Irma Inashvili, leader of the Alliance of Patriots party, being a member of its board. Presently, the board is chaired by Irakli Tsilikishvili and its members are: Zurab Gogishvili, Soso Zaalishvili and Mamuka Gobechia.

The company Amaltea⁸³ is registered under the name of Irakli Tsilikishvili, where he serves as the director general. Soso Zaalishvili owns a 25% stake in I.S.N Ltd. and a 50% stake in 3S Group Ltd.⁸⁴

82 Election Media Monitoring – Final Report 2016-2018, The Georgian Charter of Journalistic Ethics, <https://bit.ly/2CYG0bd>

83 Extract from the Entrepreneurial Registry, <https://goo.gl/BUXnqN>

84 Extract from the Entrepreneurial Registry, <https://goo.gl/MYQiEb>

The TV channel is incorporated in Palitra Media Holding, the largest media corporation in Georgia. Palitra Media Holding has long been operating in Georgian media space and it unites a number of media companies.

Specifics/type of broadcasting – the broadcaster mostly dedicates its airtime to news as well as public and political programs.

Revenues - In 2018, Palitra TV reported total revenues of GEL 0.1 thousand and the entire amount was received from advertising.

Owners

Palitra TV is the company incorporated in Palitra Media Holding. A 100% stake in Palitra TV is owned by Edline Ltd, while the latter, in turn, is owned by Irakli Tevdorashvili (75%) and Zaza Buadze (25%).⁸⁵

As of today, Palitra Media Holding unites three weekly newspapers, three weekly magazines, eight periodical magazines, more than 20 internet portals, radio, news agency and literary publishing house. Palitra Media also unites book retail networks, printing house, advertising, e-commerce and web development agencies.⁸⁶

Besides Palitra TV, Irakli Tevdorashvili⁸⁷ and Zaza Buadze⁸⁸ also own tens of companies, mainly incorporated in Palitra Media Holding. They also own shares in Business and Technology University and St. George International School.

Noteworthy that Irakli Tevdorashvili's brother, Giorgi Tevdorashvili also owns shares in the companies incorporated in Palitra Media Holding. Giorgi Tevdorashvili also owns a 50% stake in Tri Media Intelligence,⁸⁹ a TV audience measuring company. This ownership has been strongly criticized for multiple times due to alleged conflict of interests.⁹⁰

Former Minister of Economy and Sustainable Development, Dimitri Kumsishvili worked as the director of Kviris Palitra before joining the government.⁹¹ Besides the fact that the Tevdorashvili brothers are cousins of Kumsishvili's wife, they also are Kumsishvili's business partners. In particular, Kumsishvili owns a 10% stake in Rational Solutions Ltd (the share is managed by his wife, Natalia Tevdorashvili) and 90% of shares are owned by Kviris Palitra,

85 Georgian National Communications Commission, <https://bit.ly/2MH8vxQ>

86 <http://palitra.ge/en/about-en?subject=1>

87 Extract from the Entrepreneurial Registry, <https://goo.gl/oxJKTH>

88 Extract from the Entrepreneurial Registry, <https://goo.gl/S8rCqJ>

89 Extract from the Entrepreneurial Registry, <https://goo.gl/cVKyR7>

90 New Company to Enter TV Rating Market in 2016, Media Development Foundation, 7.12.2015, http://mdfgeorgia.ge/geo/view_news/411

91 An asset declaration of an official, <https://goo.gl/8vH3EL>

where Irakli Tevdorashvili and Zaza Buadze are shareholders. Noteworthy that Kumsishvili quit his post scandalously. He was summoned for questioning by the Prosecutor's Office. The investigation was underway into abuse of power and embezzlement of large amounts of public funds. However, no additional details were unveiled.⁹²

It should be noted that under Economy Minister Dimitri Kumsishvili, Irakli Tevdorashvili and Zaza Buadze gained financial support for their joint venture Tissue Paper (later the company was renamed to Krialia), within the framework of the government-funded program Produce in Georgia. Total amount invested in this project with the support of the Economy Ministry's legal entity constituted GEL 11.5 million. The venture was solemnly opened by Dimitri Kumsishvili.⁹³

It apparently was not the only company affiliated to the owners of Kviris Palitra, which received funding within the Produce in Georgia program during Kumsishvili's tenure at the Economy Ministry.⁹⁴ After Kumsishvili quit the post, the Prosecutor's Office retrieved from the Colorpack printing house,⁹⁵ a subsidiary company of the Palitra Media Holding, all financial documents issued from 2014 through 2018. According to the Prosecutor's Office, in 2014, Colorpack received a USD 1.6 million loan within the Produce in Georgia program, with interest rates co-financed from the state budget for 24 months. The investigation was launched into abuse of power and embezzlement of large amounts of public funds by some officials.⁹⁶

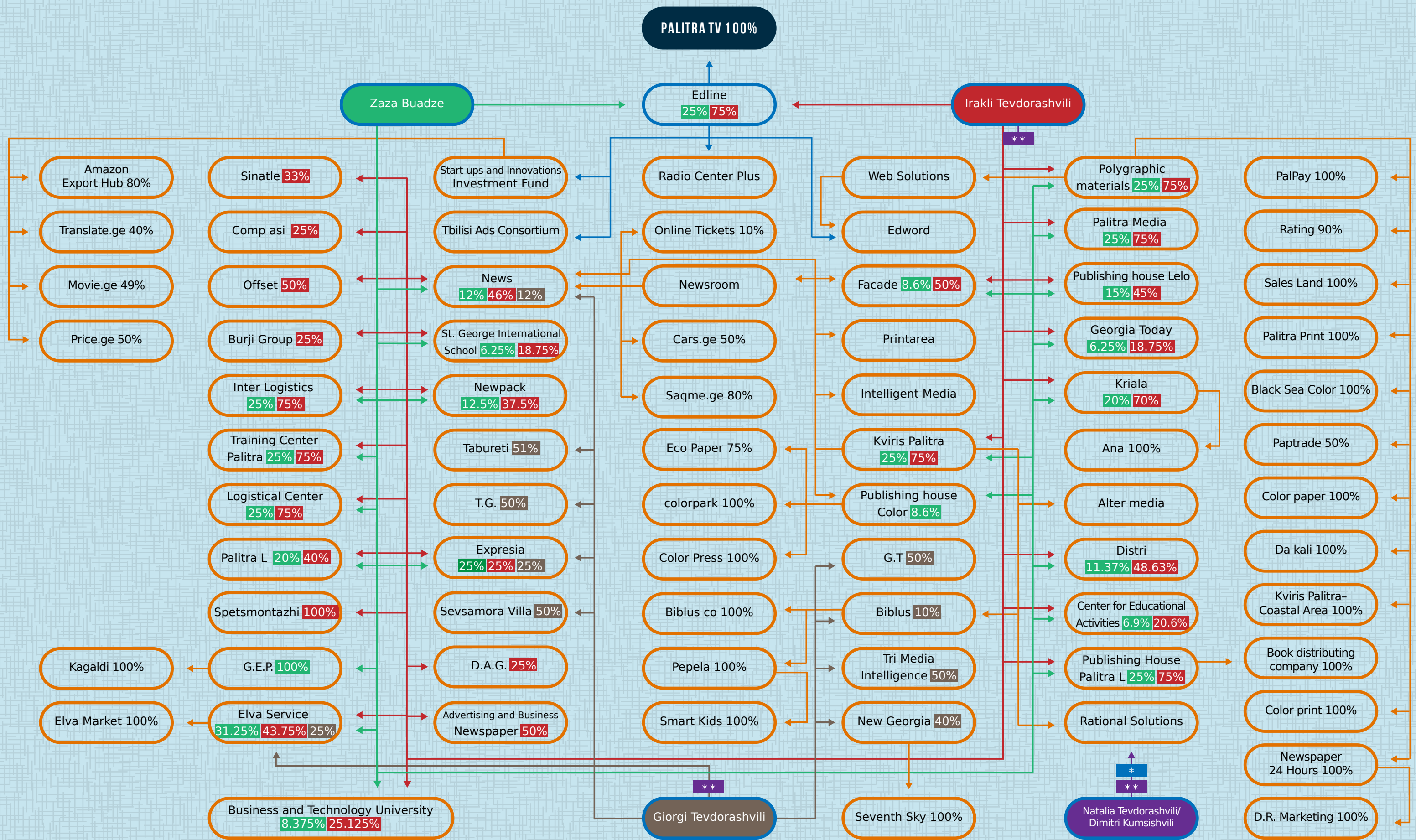
92 Alavidze and Kumsishvili were questioned by the Prosecutor's Office over embezzlement of large amount of public funds, www.liberali.ge, 17.07.2018, <https://bit.ly/2EAGQLz>

93 Produce in Georgia program finances Deputy Prime Minister Kumsishvili's business partners, www.netgazeti.ge, 26.03.2018, <http://netgazeti.ge/news/262860/>

94 In 2014, Dimitri Kumsishvili was the First Deputy Minister of Economy and Sustainable Development, as well as the Chairman of the LEPL National Agency of State Property.

95 According to the Entrepreneurial Registry, Colorpack is owned by Color Ltd., which, in turn, is owned by Tamar Gagnidze (50%), Zaza Buadze (8.6%) and Kviris Palitra Ltd (41.4%). The shares in Kviris Palitra are owned by Zaza Buadze (25%) and Irakli Tevdorashvili (75%).

96 The Prosecutor's Office about Palitra's printing house: the case involves an investigation launched in frames of the Produce in Georgia program, www.on.ge, 22.09.2018, <http://go.on.ge/u2s>



R.B.G, the same as Entertaining Channel 1, was founded in 2015. A few months after launching its broadcast, the TV channel appeared in the focus of attention, as it was translating and airing Russian public television's programs.

Specifics/Type of broadcasting – The TV channel mostly airs entertaining programs.

Revenues - In 2018, the broadcaster reported total revenues of GEL 0.6 thousand with the entire amount received from advertising.

Owners

The TV channel was founded by Russian citizen Olga Miliaeva (90%) and Georgian citizen Irakli Adamia (10%).⁹⁷

Administrative disputes related to the broadcaster's activities

The broadcaster faced a number of problems upon launching its broadcast. It aired Russian-language programs with a logo of Russian Public Television (ORT) and with an inscription Gruzia (Georgia). By decision of the Georgian National Communications Commission dated July 3, 2015,⁹⁸ R.B.G. received a warning for not fulfilling the requirements of the Law of Georgia on Broadcasting, according to which an entity authorized for TV broadcasting has to submit to the Commission necessary documents proving its authority to air TV programs, as well as to publish weekly programming.

On November 26, 2015, Georgian National Communications Commission fined R.B.G with GEL 2,500 and made a decision to terminate its broadcasting in its current form.⁹⁹ According to GNCC, R.B.G failed to prove lawful possession of Russian ORT's TV content. In addition, the company received a written warning for not submitting regulation fee calculations to the Commission and not uploading a declaration of conformity on its own website.

Presently, Entertaining Channel 1 mostly airs ORT's entertaining programs translated in Georgian. R.B.G. decided to modify its license following GNCC's warning – instead of political programs, it requested authorization for entertaining programs and now airs movie serials and entertainment programs.¹⁰⁰

97 Georgian National Communications Commission, <https://tinyurl.com/yd4gdcat>

98 Georgian National Communications Commission, <https://bit.ly/2UHaoxW>

99 Georgian National Communications Commission, <https://bit.ly/2Ry7jhc>

100 Georgian National Communications Commission, <https://bit.ly/2So9Z5k>

Specifics/Type of broadcasting – the TV channel has received specialized broadcasting authorization and it airs entertaining and musical programs.

Revenues – According to Georgian National Communications Commission, in 2018, the broadcaster did not receive any revenues.

Owners

Stereo + is owned by Davit Zilpimiani (50%), Lasha Zilpimiani (15%), Luka Severin (10%) and Robert Nakhalev (25%).¹⁰¹

In 2014, Stereo + won the competition on building and operating the country's infrastructure for digital terrestrial television broadcasting and moved to multiplex platform. The digital multiplex operator operates on the market under the name of Digital TV.

Davit Zilpimiani (22%) and Luka Severin (3%) also own shares in I Stereo, which is presently non-operational.

Dispute against Davit Bezhuashvili

In 2014, Chemexim International Ltd,¹⁰² which is registered in the Marshall Islands and which owns a 100% stake in Georgian Industrial Group Holding (GIG), filed a lawsuit against Davit Zilpimiani. GIG is owned and managed by former MP and businessman, Davit Bezhuashvili. Chemexim International demanded Zilpimiani to return the money lent to him in 2007-2008; however, the company lost the case in Tbilisi City Court in 2014 and then in the Court of Appeals in 2016. Later in 2018, the Supreme Court ruled that Davit Zilpimiani had to pay the amount¹⁰³ and imposed a freeze on his 50% stake in Stereo+. Davit Zilpimiani suggests that Bezhuashvili enjoys his influences and tries to misappropriate his property. He claims that he cannot pay the sum that will eventually result in transferring his 50% stake in Stereo + to Chemexim International. Zilpimiani notes that he has challenged the court ruling in the Constitutional Court and the Strasbourg-based European Court of Human Rights (ECHR).

Noteworthy that Davit Zilpimiani was in the party list of Davit Tarkhan-Mouravi, Irma Inashvili – Alliance of Patriots – United Opposition for the 2016 parliamentary elections.¹⁰⁴

101 Georgian National Communications Commission, <https://tinyurl.com/y7s8slmf>

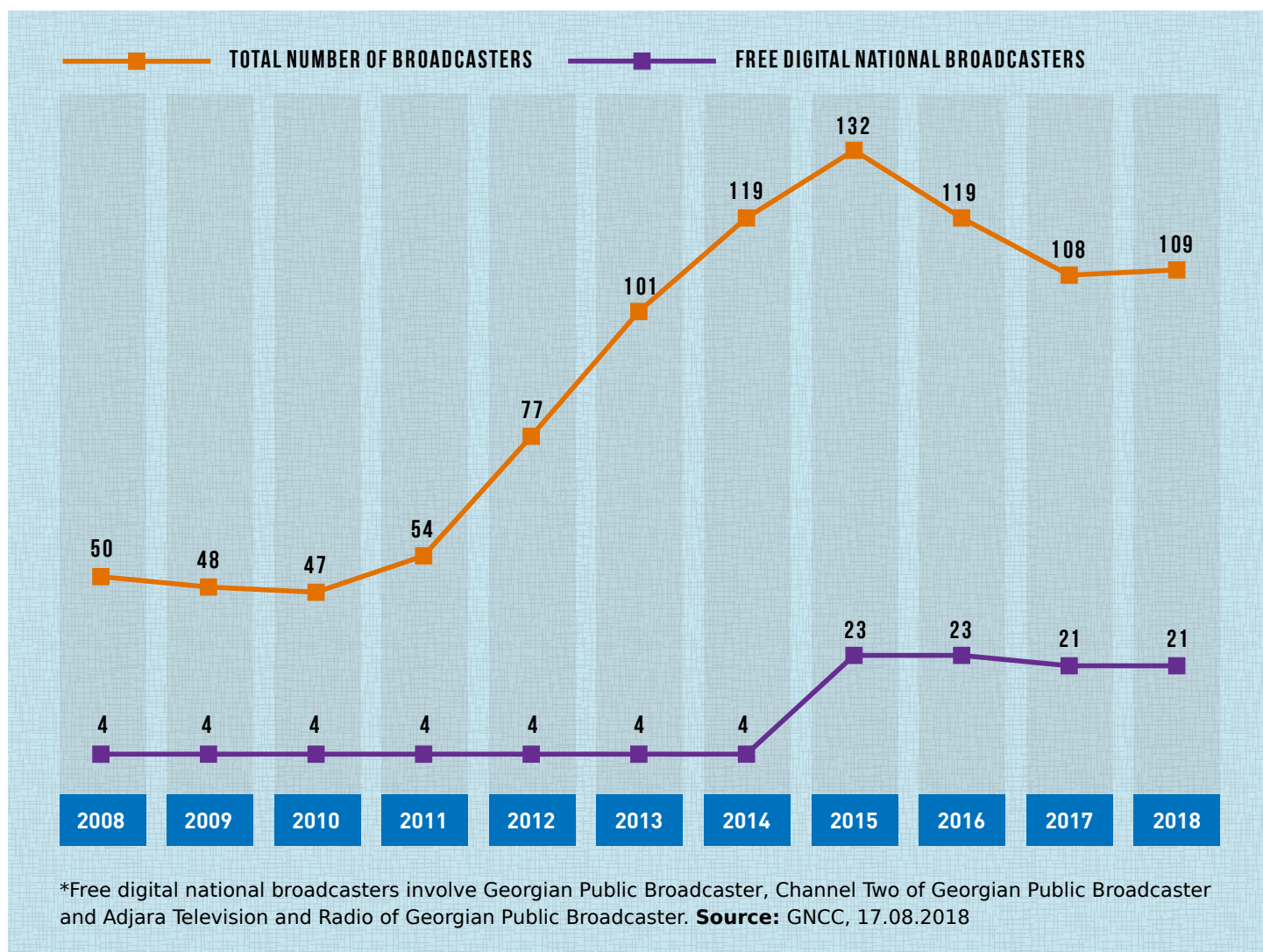
102 The 2017 audit report of Georgian Industrial Group Holding, <https://bit.ly/2VprArF>

103 EUR 252,000, USD 14,000 and GEL 20,000

104 TV shareholders on the election list of Alliance of Patriots, www.on.ge, 3.10.2016, <http://go.on.ge/4iq>

MEDIA CONCENTRATION

Georgian National Communications Commission and the government constantly promote the opinion that there is media pluralism in the country, because the number of television stations is increasing.¹⁰⁵ On its part, the increase in the number of TV channels was caused by the country's movement to digital broadcasting in 2015 and liberalization of legislation – new resources have appeared to promote the emergence of more radio and TV stations in the country.



It is also interesting how the revenues of TV channels are distributed by years and whether the increased number of television stations stimulated the growth on the advertising market. It, however, appeared that the advertising market has not increased significantly along with the growth in the number of TV channels¹⁰⁶ and if in 2013, GEL 66 million advertising

¹⁰⁵ Kakha Bekauri – the situation is ideal in terms of media pluralism, 1tv.ge, 19.03.2018, <https://bit.ly/2HmiscT>

¹⁰⁶ The advertising market involves the amounts received from ads and sponsorship. The data have been

TELEVISION REVENUES 2013-2018				
YEAR	TOTAL REVENUES (MILLION LARI)	TOTAL REVENUES (MILLION USD)	AD REVENUES (MILLION LARI)	AD REVENUES (MILLION USD)
2013	74.9	45	66	39.6
2014	94.6	53.3	84	47.3
2015	86.1	37.9	72.6	31.9
2016	96.9	40.9	81.4	34.4
2017	97.5	38.6	68.4	27.2
2018	79.8	31.3	63.3	24.8

*The data do not involve the figures of Georgian Public Broadcaster and GPB's Adjara Television and Radio

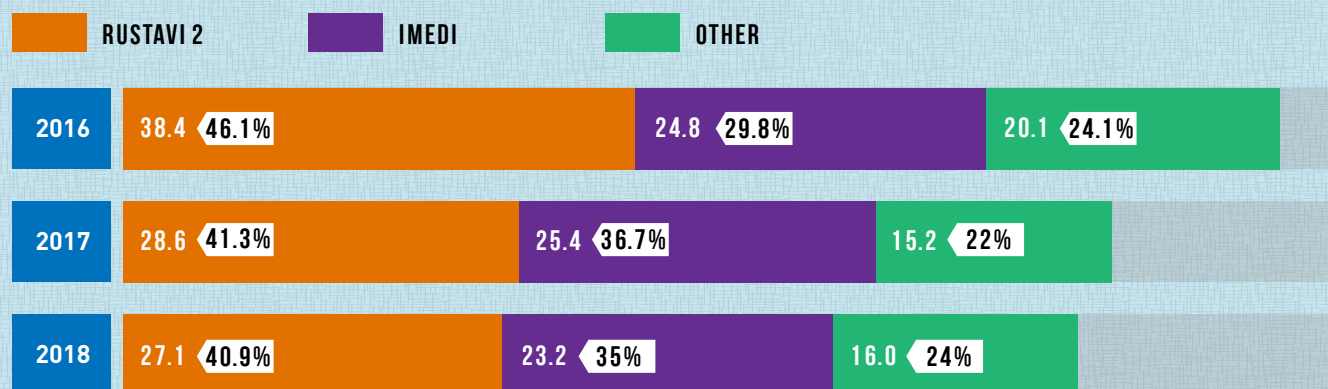
market was divided between 105 television stations, in 2018, 130 TV channels had to divide the advertising market worth GEL 63 million.

Noteworthy that Rustavi 2 TV and Imedi TV are the most watched television stations in the country, which are not maintain political neutrality and instead, carry out the interests of concrete political forces.¹⁰⁷ In addition, these two largest television stations have the greatest share on the advertising market. Following Imedi TV's further expansion and incorporation of two more TV channels in the Imedi Media Holding, the problem of media polarization has further intensified.

calculated through GNCC's analytical portal, <https://analytics.gncc.ge/>

107 Election Media Monitoring – Final Report 2016-2018, The Georgian Charter of Journalistic Ethics <https://bit.ly/2ROXcow>

SHARE OF RUSTAVI 2 AND IMEDI ON ADVERTISING MARKET (MILLION LARI)



From January 2017, the data on Imedi have been counted together with Studio Maestro, and from February- together with GDS, because by that period, Imedi had bought controlling shares in the TV channels.

It should also be noted that in 2018, twelve broadcasters did not receive any revenues, while four of those who received revenues did not receive any from advertising.

RECOMMENDATIONS

- The government should stop using various levers against critically-disposed media outlets and their owners in order to create so called business and financial problems to them;
- Political parties, whom the law prohibits to own media outlets, should stop interfering in the activities of TV media with the purpose of achieving desired editorial policy;
- TV owners should clearly separate TV and other business activities so that not to instrumentalize the broadcaster and its journalists for carrying out narrow political or business interests;
- To ensure media pluralism and professional journalism, media owners and other authorized persons should promote journalists' knowledge about ethical standards.