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Georgia as a Bridge between the West and the East (Advantages and disadvantages)

Thanks to its location, the Georgian territory became a cradle for European civilization. Several years ago 1.8 million year Dmanisi hominoids were discovered in the foothills of the lesser Caucasus.

Traditions of statehood on the Georgian territory are traceable since the mid second millennium BC. Necessary preconditions for the creation of a unified state started to form from the beginning of the 3rd century BC, when the West submitted to the East, as a result of which there was created the Kingdom of Kartvels.

Being located at the crossroad, Georgia attracted different invasions. Frequent invasions in some cases led to establishing foreign control over Georgian lands; mostly divided into two main parts: the West and the East. If in the first centuries the East as well as the West befell Romans, the rest of the time the East was controlled by Persians, Arabs, Turk-Seljuks, Mongols, while the West much of the time was controlled and influenced by Rome or Byzantium, and just partially by Ottomans before coming of Russia which in the early 19th c. annexed entire Georgia and interrupted longstanding traditions of statehood there.

Proceeding from the above-stated, the orientation issue was always topical for the Georgians. In the most typical situation, when two superpowers rivaled for the Georgian land there were people inside with different perceptions and orientations. Any perception, even wrong, served to territorial integrity as well as to aspiration towards sovereignty.

Herodotus (the 5th c. BC), who considers the reasons of Greek-Persian wars, refers to the Persian sources about the kidnapping of the women by the Hellenics (Europe, daughter of the Phoenician king, later of Medea from Colchis), kidnapping of Helene by Alexander to Troy and as a response invasion of Hellenics to Asia (Troy) earlier than the Asians invaded Europe. Hereby the author explains that Persians considered the Asians and Barbarian tribes as their relatives, whilst were separated from Europe and Hellenic tribes. In this context Colchis is placed in Asia.

But what was the vision of Georgians on their cultural affinity?

One can trace that Georgian state institutions, coinage system, urban life, historiography and literary has roots in the East. For instance, a sample for state building in the 3rd c. BC was Achaemenid Persia, whilst for David the Builder in the 12th c. that was Turk-Seljuk state. The Georgian cities as the Middle Eastern cities unlike the western cities were not independent even in the late Middle Ages. The historiography (“Kartlis Tshkovreba”) deriving from the Biblical traditions, literature profoundly influenced by the Persian masterpieces even in times of open conflicts between Kartli and Persia did not hinder adoptions from the West or closeness to the West. Strong desire of western integration is a longstanding Georgian tradition, however not easily achievable.

The spreading of Christianity in Georgia since the first century resulted in its adoption in the early 4th century, which helped to shape an already existing identity. That choice for Georgia, situated at the crossroads between the West and the East, made by the first Christian king of Kartli, Mirian, the Persian by his ethnic origin, implied taking political orientation towards the West, whilst two strong superpowers, Rome and Sassanid Persia, were rivaling for world domination. The decision determined Georgia's fate further and strongly tied the Georgian people and the Georgian culture to Western civilizations, even though after that Georgia, much of the time, was controlled by Persians, later for a shorter time by Arabs and in the late Middle Ages by the Ottomans.

In 482 the powerful Georgian King Vakhtang Gorgasali, son of the Persian woman, appointed by the Persians, broke with Iran, turned to Byzantium, married the Byzantine princess Helene, achieved independence for the Georgian church, and expressed his loyalty to Byzantium, keeping it till his death. His last words to his people were: "Never abandon love for Greeks," which was a confirmation of the Western orientation.

In 596 the Catholicos of Kartli Kirion, corresponding with the Roman Pope Gregory the Great (590-604), firmly turned the Georgian church to Diophysitism which meant Western orientation. In early 7th century, Abraham, Catholicos of Armenia, wrote to the Catholicos of Kartli: "We hardly believe in devoted love for Byzantium from a slave of the king of kings as well as in his separating from Persia having the same faith". However, that was true.

Even in times of political fragmentation and religious diversity Orthodoxy managed to remain not only the dominant religion but also distinct characteristic of the Georgian nation. However splitting up into Catholic and Orthodox churches was not immediately recognized by Georgians and despite the schism of Christendom in 1054 A.D., the Georgian Church had to retain contacts with the Catholic Church. About 1065, the famous ecclesiastic figure Giorgi Mtatsmindeli made the following comment concerning the ecclesiastic discord between Rome and Constantinople: "As heresy has occurred so many times among Greeks... Holy councils among ecclesiastic leaders were summoned and this issue was thoroughly investigated... Hroms (i.e. the Western church) once they acknowledged God, they have never deviated from this faith and they never practiced heresy...".

In the second half of the 13th century Catholicos Nickolos signed the document as the sixth Patriarch. The early Georgian document where one can not see the Pope alongside with the other Patriarchs is dated back to 1545.

However despite attending the Ferrara-Florence Council (1439), Georgians did not join the Florence union, avoiding losing the independence of the church while they still participated in various attempts of Europeans to organize an anti-Ottoman coalition, since the increasing power of the neighboring Ottoman Empire threatened the independence of Georgia.

Being located at the crossroad, Georgia attracted different ethnic groups since the ancient times. It promoted the multi-ethnicity of the land and correspondingly, tolerance among its population.

Since the mid - 7th century Islam came to Georgia and confrontation between Christianity and Islam lasted for centuries. According to the political contexts some Georgians were forced to change their religion and accepted Islam, or Catholicism, or Gregorianism. That contributed to loss of ethnicity.

However thanks to longstanding traditions of intercultural dialogue, religious confrontation rarely grew into ethnic or any other type of conflicts within Georgia. Right policy pursued by the kings ensured peaceful coexistence in the multicultural country. One can recall the 12th century order of Queen Tamar to the Georgians to repay the Armenians a sum of 40000 dinars for restoration of their church. At that time, Monophysites maintained the highest state positions, while the Judaists played an active role in state affairs. According to the Arab chronicler Al-Fariqi in times of the Georgian king David the Builder Georgians, Jews and Moslems paid “Khidma”: “Assessed the *khidma* of a Georgian at a rate of five dinars per annum, that of a Jew at four dinars and that of a Muslim at three dinars”, where *khidma* is annual present to the king from his subjects. “I saw the respect for Moslems that they would not even have in Baghdad”, - states the author. As a result of such traditions religious diversity in the late medieval Georgia was natural.

As the French traveler Sharden says in the 70s of the 17th c. “You have right to live here (in Georgia-G.A.) with your faith and traditions, discuss and keep it. One can meet here Armenians, Greeks, Jews, Ottomans, Persians, Indians, Tatars, Moscovites and Europeans”. By the end of the 17th c. the guilds of craftsmen, merchants were still inter-confessional. Despite frequent political tensions between the Christian and Muslim worlds there were many examples of cultural and social interactions, adoptions and influences.

Despite frequent political tension between the Christian and Moslem worlds the most popular Georgian poet Shota Rustaveli (13th c.) made an Arab principal, a positive character of his poem “The Knight in the Panther's Skin”, and identifies himself with that personage. Since his character is a Moslem he brings him to mosque, however Avtandil doesn't deliver the Moslem prayers there, but he prays with the Apostle Paul's words.

The poet and King of Kakheti –Kartli, Teimuraz I, was profoundly influenced by Persian literature. He was not an exception. The Moslem Georgian king, Giorgi XI, assassinated by the Afghan leader Mir Ways (1709), had a cross on his chest, which was sent to the Shah by his murderer as an accusatory.

Georgia's location at the crossroads was revealed in different ways. Some of the most evident testimonies are the coins minted at different times: coins from the 6th c. with the holy fire and the cross on it, from the 12th-13th cc. - with Arabic and Georgian inscriptions.

Different distinct characteristics made the country stand out. One sign of such a revelation was the title of the king in united Georgia. According to related sources Giorgi II (12th c.) was “The King of Kings, the Caesar of All the East and the West”. The title “The King of Kings”, adopted from Achaemenids, with which the ancient Persian Kings were mentioned, was complemented by another word “Sharavantedani” (“the haloed”), also derived from Persian. In times when the title of the Georgian king became “the King of Abkhazians, Kartvels, Rans, Kakhs, Armenians, Shahansha and Sharvansha”, the king was mentioned in the Georgian chronicles as a leader combining “Kingship and Sultanship”, the Georgian banner as Alexandrian, Augustian as well as Gorgaslian, Davidian, which means that the Georgians evidently considered themselves as heirs of western Greco-Roman traditions.

Thanks to diplomacy Georgians much of the time were able to keep peaceful relations with the Moslem surrounding and could enter Jerusalem with unfolded banners in the 13th century. Moslems dominating Jerusalem granted them with other privileges as well, which they preserved for a long time. According to existing evidence of 1507 “Georgians, visiting Jerusalem, pay neither tax, nor tribute”.

Thanks to Georgia's geographic location the Georgian kings established relations regardless of religious and ethnic affinity. There were a number of cases when Muslims and non-Christians were allies of Georgians. Various sources confirm alliance of Georgians with Turkic Huns against Persians, or that with Khazars against Arabs. After the first invasion of Georgia by the Mongols in 1220 the Georgian King initiated the creation of an anti-Mongolian coalition with Muslim rulers. According to the above-mentioned, in the late Middle Ages Georgians participated in the attempts for creating anti-Ottoman coalitions initiated by the Pope and western countries in some cases together with other Moslems (the Akkoyunlu leader Uzun Hasan or the Persian Shah Abbas I).

Again, Sharden informs the reader in the 17th c.: "Tbilisi (the capital of Georgia-G.A.) is one of the beautiful cities.All the external signs of Christianity are preserved in the city. All churches have crosses above church towers and numerous ringing bells. Alongside other sorts of meat, pork is also sold in public, without hiding. As for wine, you will come across it in every corner". In spite of the fact that the densely populated Tbilisi was culturally and ethnically diverse, "nowhere in the world you will meet so many foreigners, they are all involved in trade", - adds the author.

According to the Arab geographer Zakariyya Al-Kazwini (the 13th c.), "On one of the banks of Kur one could hear the call of mu'adhin, on the other – the peals of the Christian nakus (ring bells to summon the community to divine service)".

The French traveler Peisonnel confirms that "Tbilisi as the trade crossroad, where there pass caravans... this city is a storing place of caravans taken from Persia to Constantinople, Smirna, Aleppo and the caravans taken from the above cities to Persia".

In 1820-24 Jacques Francois Gamba, the French Consul in Tbilisi, stresses the significance of Tbilisi as a link between Asia and Europe. He thinks that "the city can be considered a junction between Europe and Asia". Carl Heinrich Emil Koch_ a German botanist who traveled in Eastern countries in 1836 and 1843-44 and visited Tbilisi five times explains that in Tbilisi, the oriental spirit is preserved alongside the European character".

A German traveler of the first half of the 19th c. Moris Wagner provides some interesting information on Georgia and Tbilisi in particular. "When I compare the cities of the old world renowned for their wonderful location: Constantinople, Genoa, Naples, Prague, Bursa, Zalsburg, Algeria etc, to the picture of the Georgian capital, I cannot place Tbilisi in the last place", - states the author especially charmed with the beauty of the Georgian women. Russian colonel Stephan Danilovich Burnashov narrates how Russians took their goods to the markets of India and Persia via Tbilisi and how even more goods were imported from there. The same author states, that "the primary striving of Erekle II is the Europeanization of the people".

The Russian poet A.S. Pushkin also pays attention that "A big part of Tbilisi is built in the Asian style: the houses are near to the ground, the roofs are flat. In the northern part of the city the houses are built in accordance with the European architecture"...

The Russian composer P. I. Chaikovski repeats the same: By its location Tbilisi reminded him of the Italian cities Genoa, Venice, Florence. "It is quite a European city, very well organized, clean, with good climate, rich shops, and a perfect opera". The composer talks about an old and modern city with European and Asian parts. He thinks that the combination of Asia and Europe determines the attractiveness of the city.

Georgian law came from Roman-Byzantine traditions and was based on liberal, democratic and tolerant principles. Since Georgia had almost continuous traditions of statehood, the purpose of the ancient and medieval Georgian law was primarily to defend the interests of the state. Accordingly, treason, a crime against the integrity of the state, was considered as a capital offense.

At the top of hierarchy was the king, who personified the state. The king's responsibilities and duties were as broad as his rights. In the ancient Georgia the king was elected from the royal family and had many responsibilities. As everywhere in the ancient times the king was commander-in-chief, high priest and the supreme judge.

Later on, spiritual and civil powers were divided and the institution of the kingship became hereditary. However, the rights of the monarch were not unlimited and his authority was not untouchable either. Important decisions were made by the king together with the "darbazi" (state council). An anonymous chronicler of the 14th c. is critical towards the royal family while Vakhtang VI's code states: "If the king can exercise kingship, let him do it, if not it is better that he renounce it". The king as anybody in the state had to be law-abiding.

In the early 12th c. Supreme Court was established in Georgia. Any person could submit a complaint, regardless of ethnicity or social status, even a lowly peasant against the senior. The court was headed by the prime-minister (Mtsignobartukhutsesi).

One can see some rudiments of a jury system in Georgian justice, and decisions were made on the basis of testimony on oath of special twelve people as it was, for instance, in England at the same time.

Georgian law defended private property. Unlike the East, private property on land was a dominant system in Georgia throughout the centuries. Private property could be inherited, however each new king had to confirm the rights to private property by corresponding documents.

Medieval Georgian society was based on a blood-money system. The price of a person depended on his social position. Fines also depended on the crime. In most cases Georgian law didn't distinguish crime by the social status of the criminal. There was no discrimination on an ethnic or religious basis either. It should be noted that Monophysites and Moslems had their own justice systems in Georgia. They not only coexisted, but collaborated peacefully.

The jurisdiction of law outside the church – "lay jurisdiction" – did not revert to death penalty, or extreme forms of mutilation in punishment. The death penalty for even severe crimes such as treason against the state or king was mostly avoided. Exile or blinding of those found guilty was ordered in such high crimes. Although, there were some instances of people being condemned to death, this rarely occurred and decision was made in the single cases.

Georgian law protected women's rights, and emphasized their significance. Women, like men, could inherit and participate in governance and in diplomacy. Information on death penalty of female is not preserved by historic memory. One can trace the concept of gender equality in Georgian literature as well as in legal and historic documents. This idea of legal equality was expressed very clearly by Shota Rustaveli, who asserted that:

"Lion's whelps are equal
Let it be lioness, or let it be a male".

It's noteworthy that equality of lion's whelps or members of a royal family in cases when there was no male heir for the throne, as it was in case of Queen Tamar (12th c.), didn't apply to Georgian society as a whole. However it was a step forward. After being held for a long time,

that idea made the enthroning of female kings possible (besides Tamar, who became beloved heroine of the Georgian folklore, also her daughter Rusudan). That was the Golden Age of the Georgian history.

Kidnapping of women was forbidden at least on paper. According to written sources the tradition of kidnapping was eliminated as early as the 12th century. The law was strict in the case of the abandonment of an innocent wife by the husband, since the family was considered the basis of a powerful state. When people divorced, the law was always on the women's side. Even if the cause of divorce was adultery by the wife, the law tried to defend her rights, and ordered her dowry returned. Women from the upper class frequently married the Christian Byzantine, or Russian royal family members, but also Moslems- from Shirvan, Persia, Turkey.

According to a Persian anonymous author of the early 13th c. ("Adja'ib al-Dunya"- "Wonders of the World"), women in the capital of Georgia, Tbilisi, do not cover their faces".

A Frenchman Jean Baptist Tavernier (1605-1689) emphasizes the fact that "especially in Tbilisi Georgian women have one more advantage apart from their beauty: they have more freedom than other Asian women". The same author remarks that in Georgia women are better in writing than men. The famous French writer Alexander Dumas (1802-1870), who was in Georgia from November 23, 1858 to January 11, 1859, relates: "I have to confess that when I was traveling to Tbilisi I believed I was going to a half-wild city. I was mistaken", - says the famous writer. He considers that Georgian ladies were only two weeks behind the Italian fashion. This opinion was strengthened at the New Year Party where he met Georgians in beautiful national clothes.

The Georgian territory was crossed by the shortest road connecting the Black and Caspian Seas. That was the route along the Rioni (Phasis) and the Mtkvari (Kura). It came into frequent use from the 6th cc. BC. The road began not only from Iran, but from India as well. It crossed the present Afghanistan, Central Asia, passed the Caspian Sea via ancient Albania, Iberia, and Colchis, went to Phasis and Sebastopolis (Sokhumi), and after that continued by the sea to the West. Since the 7th-9th centuries the denomination "northern silk road" emerged. The route, which began in Central Asia, went along the north Caspian shore, along the Caspian range to Kodori and later by sea to Constantinople. The "silk road" remained in use for centuries to come.

Already in the 9th-10th cc. Georgia was connected with southern Russia, Khazaria, Eastern Slavs, Baltic and Scandinavian countries by the "northern road".

In the 13th-15th cc. they brought Iranian, Caspian and Georgian silk from Georgia to the West via Tbilisi, Akhaltsikhe, Kutaisi. Then the silk was taken to Batumi, Poti and Sokhumi, three port cities, and by way of sea made its way to Genoa or Venice. From the end of the 13th century to the beginning of the 14th century Genoa got permission from the Duke of Odishi to establish a trade factory in Georgia. This task came with a heavy burden and only after defeating the Venetian fleet in 1354 Genoa founded a trade factory in Sebastopolis (the same Sukhumi). In 1354-1453 the trade factory was administered via Kafa. In 1453, the factory passed to "St George Bank". According to the regulations of Kafa (1449) the consul of Sebastopolis had 1% of cost of the goods brought in or out of Sebastopolis. In those years not just Georgian goods but also silk from Iran and Shirvan were exported via Georgia to Europe.

Since the 16th-17th cc. Georgia had very active trade relations with the Near East. Georgians established contacts with the world trade via Iran and with the European market via the Ottoman Empire. Despite some abatement on customs in the 18th century for encouraging the trade by the Darial road led to Russia, trade relations with the Middle East were still dominant. The Georgian merchants visited cities of Azerbaijan, Russia, Central Asia, Iran, Ottoman state,

Iraq, India. The attempt to establish trade relations with Western Europe can be traced later. For instance in the times of Levan II Dadiani (1611-1657), who invited European merchants to western Georgia (Megrelia) in order to create a company exporting Iranian silk to Europe via Georgia. The same project was revived in 1714 in the Agreement that had to be concluded between Georgia and France, some paragraphs of which considered trade between France and Iran via Georgia and the Black Sea. The roads exported and imported not just material goods, but cultural traditions as well.

In the sixth decade of the 18th century after a long time of splitting country, the King of Kakheti Erekle II managed to unite Eastern Georgia, and the unification of the state as a whole was set up on agenda. The Georgian king as it happened many times before first of all appealed to Europe. A vain quest for an ally in the West throughout the 18th century came to an end with the orientation towards Orthodox Russia. In 1783 the treaty of Georgievsk, signed between Russia and Georgia, actually laid the foundation for the abolition of the independence of the Georgian Church, followed by the abolition of statehood. According to the treaty the Georgian Church had to subordinate itself to the Synod of the Russian Orthodox Church on the eighth place in the Church hierarchy. By the same document, sympathy and tolerance toward Roman Catholicism was sealed up.

In 1801, the Russian emperor annexed Georgia's centuries-old statehood in Eastern Georgia on the basis of a manifesto and a bit later Western Georgian Kingdom was abolished. Activities of the Catholic missionaries in Georgia were suspended in 1845 by the hegemony of Russian authorities, since the Russian administration was established there.

However since 1822 during 10 years Russia provided favorable conditions for trade. Transit route from Europe to Iran was restored, however sealed up shortly.

A letter sent to Napoleon by the last western king Solomon II is the last desperate attempt to attract the attention of the West: "...the emperor of Moscow had unjustly and illegally stripped us of our royal estate;... this emperor had no legal title whatever;... since we ourselves had neither the strength to set up armed resistance to the invasion of our domains, nor any means of obliging the usurper to restore them to us by recourse to law, therefore this double impotence served to excuse our failure to take effective action:... may you deign to liberate me. Together with million Christian souls, from the yoke of the pitiless emperor of Moscow, either by your lofty mediation, or else by the might of your all-powerful arm..."

The international situation was not favorable for the realization of those plans.

Since proclaiming independence on May 26, 1918, Georgia denied Russian orientation and took a course towards Europe. Two days later Georgia concluded a treaty with Germany, one clause of which was about the creation of an army. In times of WWI such an alliance was risky and lasted for a short time. However Germans helped in regulating of Turkish-Georgian relations. Germany, defeated in WWI, was replaced by England, which was the ally of Denikin against the Bolsheviks. That was not acceptable for Georgia. After the leaving of England (1919, May), it was replaced by Italy, from where the mission headed by colonel Gamba came. But soon the government changed in Italy and a policy toward Georgia changed as well. Germany, Britain and Italy, one after another, supported the independence of the small state in different ways. Yet, they finally gave up in the face of more significant challenges. The Georgian delegation that visited Paris in 1919-1920, tried to cast a light upon the goals of Russia. The only thing that was achieved was the recognition of the de facto independence of Georgia in Paris, January 1920. A struggle for accepting the country to the League of Nations, founded on April 28, 1919, became an axis of external policy. The League of Nations membership was extremely important for preserving independence and territorial integrity. However the end of WWI didn't put the independence of Georgia on the political agenda. This was confirmed by the League of

Nations which didn't recognize the independence of Georgia. Only 10 out of the 23 members voted for the membership of Georgia.

That resulted in 70 years of the Bolshevik regime in Georgia. In February -March, 1921, the Red Bolshevik Army annexed Georgia. Many Georgians left the country, hoping to be back soon. Between WWI and WWII many Georgians served in French and Polish military forces. During the WWII Georgians were on two sides. Those who collaborated with the Reich did so with a hope to liberate Georgia.

Georgia never set easily in the Soviet regime. In 1991, Georgia once again restored political independence and its historical role – bridging East and West. Georgia is a member of a number of international organizations.

After the "Rose Revolution" in November 2003, Georgia firmly stood for the following strategic goals: a strong, united and stable democracy and Euro-Atlantic Integration. For the implementation of the current program the country has accepted the following documents: Government Action Plan of Reforms 2006-2009; Individual Partnership Action Plan with NATO, 2004-2006; European Neighborhood Policy Action Plan, signed in October 2006. Each comprises a number of obligations and duties, which are gradually fulfilled by our country.

Georgia and NATO relations officially began in 1994 when Georgia joined the NATO run Partnership for Peace. Following the Rose Revolution in 2003 Georgia has advanced a lot in an attempt to seek closer ties and eventual membership with NATO. In April 2008, at a summit in Bucharest, alliance leaders agreed that Georgia and Ukraine would join NATO on an unspecified future date, but failed to find the consensus needed to offer them a MAP. The summit called for progress on reforms that would bring the two states closer to membership, and tasked NATO foreign ministers with giving an initial assessment of that process in December. This decision was followed by Russian invasion of Georgia.

On January 9, 2009 the United States and Georgia signed a Charter on Strategic Partnership, stressing the mutual desire to strengthen the relationship across the economic, energy, diplomatic, scientific, cultural and security fields. This Charter affirms the importance of the relationship between these two countries as friends and strategic partners, which will be of benefit for both nations and expand cooperation across a broad spectrum of mutual priorities. The Charter emphasizes that cooperation between our two democracies is based on shared values and common interests, such as expanding democracy and economic freedom, protecting security and territorial integrity, strengthening the rule of law and respect for human rights, including the right of dignified, secure and voluntary return of all internally displaced persons and refugees, supporting innovation and technological advances, and bolstering Eurasian energy security.

Georgia is a World Trade Organization (WTO) member since 2000: Most of Georgia's trade partners are members of the (WTO), in addition to that the trade relations with them are based on Most Favored Nation (MFN) trade status, which provides the WTO members with even lower tariffs.

Generalized System of Preferences (GSP) trade scheme allows Georgia to trade with the USA, Canada, Switzerland and Japan under special regimes. Consequently, Georgia can export its goods to the mentioned countries under lower or no tariffs.

EU GSP+ Scheme since 2006: Georgia is one of only 15 beneficiaries of the new EU GSP Plus trading regime worldwide. GSP Plus status allows Georgia to export 7200 products to the EU market duty free.

Free Trade Regime with CIS Countries: Although not a member of CIS anymore Georgia has a free trade regime with CIS countries benefiting from duty free trade of goods and services. CIS countries represent about 36% of Georgia's foreign trade turnover and 38% of Georgia's exports are to these markets.

Free Trade with Turkey: A Free Trade Agreement between Georgia and Turkey has been effective since November 2008.

Free Industrial Zones & International Warehouse Regime: The Investment Authority of Ras Al Khaimah (United Arab Emirates) won a tender to develop a 400 hectare free economic zone on the territory of Poti Port and to leverage the surrounding area to Georgia's strategic location and competitive trade regimes. Changes are going to be made to the tax and customs codes, allowing for the operation of "international warehouses" for export and re-export purposes under a favorable low-tax regime.

Kutaisi Free Industrial Zone: An Egypt-based home appliances producer company, Fresh Electric, will create a free industrial zone in Kutaisi -- Georgia's second largest town. The zone will be established on a 27-hectare plot of land. The Minister said that the company will construct about a dozen of factories producing textile, ceramics and home appliances.

Oil and Gas Pipelines: Georgia plays an important role as a strategic crossroad for hydrocarbon transit in the Caspian region. During the past ten years, \$5 billion was invested by British Petroleum (BP) and its partners to develop the three major oil and gas pipelines that cross Georgia.

The Baku-Tbilisi-Ceyhan (BTC) pipeline, completed in 2005 at a total construction cost of nearly \$4 billion and fully operational in 2006, can transport up to a million barrels of oil a day from the Sangachal terminal in Azerbaijan to a newly constructed marine terminal in Ceyhan on the Turkish Mediterranean coast. One of the longest pipelines in the world at a length of 1,768km (of this 249km through Georgia), the BTC pipeline transported the total of 212,163,359.5 barrels of oil in 2007.

Kulevi Oil Terminal (Black Sea Terminal) recently began operation to transport the crude oil and oil products to the West. Georgia is the closest partner of the Republic of Azerbaijan in the region. The most part of transport communication passes only via Georgia and connects the country to Europe. Considering these relations the State Oil Company of Azerbaijan Republic (SOCAR) began to implement the great investment project in Georgia.

The South Caucasus Gas Pipeline (SCP), completed in 2006 in the same corridor of land as the BTC pipeline, carries natural gas from the Shah Deniz field in the Caspian Sea to customers in Georgia, Turkey and Azerbaijan. At full capacity, the 692km South Caucasus Pipeline will export up to 20 billion cubic meters of gas a year. The gas supplied through SCP represents a source of future energy security and supply diversity for Georgia.

The Western Route Export Pipeline (WREP), also known as the Baku-Supsa Pipeline, transports oil from the Chirag field in the Caspian Sea via the Sangachal terminal in Azerbaijan to the Supsa terminal in western Georgia with just under half of the pipeline located in Georgia. At a length of 830km, WREP, which became fully operational in 1999, is capable of transporting up to 155,000 barrels of oil a day.

Georgian Hydropower Sector: The vast potential of the Georgian hydro power energy resources, a strategic location for energy transportation and the radical reforms by the Government aimed at better regulation and liberalization of the energy sector, have made it attractive to foreign investors. Several large energy companies such as **British Petroleum, Czech JSC "Energo Pro," Russian JSC "Energy Invest," and Azeri SOCAR Energy** Georgia are already present on the Georgian market. Currently, The Ministry of Energy has about 80 sites for construction of small and medium-size Hydropower plants.

Georgian Railway is one of the crucial links in Eurasian transit corridor. It serves as a short-cut between Europe and Central Asia, and carried 3.9 million passengers and 22.6 million tons of cargo in 2006. Georgian Railway now directly links to the railway systems of **Armenia, Azerbaijan and Russia.** In 21 November 2007 the presidents of Georgia, Turkey and

Azerbaijan have officially announced a beginning of construction works of Baku-Tbilisi-Kars railroad. The new 104,803 km railway will carry up to 15 tons annually by 2010-12.

The Black Sea ports of Poti and Batumi are key links in the TRACECA (Transportation Corridor – **Europe, Caucasus, and Asia**) trade route.

Civil Aviation in Georgia took a big leap forward in 2007 by opening of 2 new international airports in Tbilisi and Batumi, hailed among the world's most comfortable and efficient terminals. The opening of the new terminals has increased air traffic to Georgia, which is now served by four national and 14 foreign airlines, including **Austrian Airlines, BMI, Lufthansa, Czech Airlines, Air Baltic and Turkish Airlines**. Direct air **connections** are available **from Tbilisi to Istanbul, London, Munich, Odessa, Riga, Tel Aviv, Kiev, Athens, Frankfurt, Paris, Amsterdam, Dubai and Vienna**.

Proceeding from all the above-mentioned, the answer to the question - whether the location of Georgia is an advantage or a disadvantage - can be positive, it is an advantage since location determined the diversity and richness of Georgian culture, which is a combination of Western and Eastern traditions. The location shaped up its political agenda in different times and provided the sustainability of statehood traditions.