

## **Grand Designs on Hold in Georgia**

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Plans for whole new city shelved, but port may yet be built.

Georgia's new government has placed all of President Mikhail Saakashvili's ambitious infrastructure plans on hold. Thousands of people have been put out of work while the administration reviews the economic rationale for a range of projects including an all-new city.

Prime Minister Bidzina Ivanishvili's administration argues that many projects like building a city called Lazika are too far-fetched to go ahead.

Deputy Economy Minister Dmitri Kumsishvili says the government will still push ahead with plans to develop tourism and industry, although projects in these sectors also need to be looked at.

"Tourism is one of the main priorities for the Georgian government. The projects that are on hold will be re-examined with regard to cost and effectiveness," he said. "Our first step will be to create a council of consultants to study the tourism sector and present recommendations."

It was just a year ago that Saakashvili unveiled plans for Lazika, which he promised would be Georgia's second city with a population of half a million, and the major gateway on the Black Sea. Apart from the residential homes, shops and official buildings that would be required, Lazika was to get a port larger than the existing ones at Poti and Batumi. (See **Georgian Leader Unveils Grand City Plan**.)

Three years earlier, Saakashvili launched resort projects at Anaklia and Ganmukhuri by the sea, and at Mestia in the Caucasus mountains.

Along a two-kilometre seafront at Anaklia, workers rapidly built a promenade, hotels, swimming pools, restaurants, a concert hotel, a yacht club and a 500-metre bridge over the mouth of the River Inguri. Mestia got a ski centre, hostels, a new bridge and 130 km of road for access.

The construction boom created a lot of new jobs – 3,000 in the Samegrelo-Zemo Svaneti region, according to provincial governor Alexander Kobalia.

"For years, we sat at home with nothing to do," Anaklia resident Goga Gerantia recalled. "At least recently we've been able to breathe a little. Some people worked as builders, others opened shops, and some of my neighbours got jobs in hotels and restaurants."

"In Samegrelo, where no one had laid one brick on top of another for decades, they built a whole resort. People were hoping for a better future."

President Saakashvili's party lost a parliamentary election on October 1, leaving the government in the hands of billionaire Ivanishvili's Georgian Dream coalition.

A constitutional reform is in train to make the prime minister and parliament more powerful than the president, and as a result Saakashvili is left unable to force through his pet projects.

A wave of unemployment has hit Samegrelo-Zemo Svaneti, where much of the work was focused.

"A few months ago, Anaklia, Ganmukhuri and Mestia were flourishing," Levan Konjaria, chairman of the town council in Zugdidi, the centre of Samegrelo-Zemo Svaneti, said. "Now there's just a few cows wandering around. The building work has stopped. This region needs attention, or all that work will have been in vain."

Visiting the region on December 4, Saakashvili expressed regret that the projects had been frozen. He put the number of people who had lost their jobs at 6,500 people.

"You can't sacrifice work on which so many families depend just to spite one man," he said. "Forget that it was Saakashvili's idea, say the idea came from the prime minister or someone else, but just build."

He stressed that Lazika was still a good idea. "Forty-five per cent of Georgia's population lives in villages. We need a new urban centre that offers people job opportunities," he said.

Most of the building companies under contract have declined to speak to the press, with some saying they are under investigation by state prosecutors.

Soso Keidia, one of the founders of the Sunny construction firm, said its director had been arrested.

“No one wants to say anything. Everyone is awaiting the next steps taken by the new government,” he said. “Over 1,000 Sunny workers on big building projects in the new resort zone have been thrown out into the street as work stop for an unknown period.”

Saakashvili alluded to the investigations during his visit, saying, “Even local government is feeling the pressure from prosecutors. It is being asked why it spent money on building Lazika.”

He insisted, “This money was spent because I ordered it. I did this, and whatever they say, I will finish the job.”

Even if Lazika is dead as a concept, the port facilities may yet see the light of day.

“Building a city is absurd, but as for a port, that’s more realistic,” Ivanishvili said. “But right now, I don’t have a precise project or a precise answer.”

David Narmania, the minister for regional development and infrastructure, said discussions on the port were still going on, even though work on it was suspended.

“Negotiations are taking place with investors about building a port,” he said.

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