



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA DIRECTOR WALTHER TRAVELS TO GEORGIA

WASHINGTON, D.C. – (August 25, 2008) USTDA Director Larry W. Walther is in Tbilisi, Georgia, as part of an interagency delegation assessing the country's economic and reconstruction needs. The Honorable Reuben Jeffery III, Under Secretary of State for Economic, Energy and Agricultural Affairs, is leading the delegation, which will be in Georgia through August 27, 2008. The delegation also includes high-level representatives from the U.S. Agency for International Development, the Departments of Commerce and the Treasury, the Millennium Challenge Corporation, the Overseas Private Investment Corporation, and the Office of the U.S. Trade Representative.

“For the past 15 years, USTDA has worked with dedicated and professional Georgian project sponsors to advance key priorities,” said Director Walther. “This visit presents an opportunity to demonstrate our continued commitment to be strong partners in Georgia's future and to identify potential new areas for collaboration.”

During the visit, Director Walther plans to award a grant that will strengthen Georgia's energy security by supporting plans to develop the country's coal bed methane (CBM) and coal mine methane (CMM) resources. Currently, Georgia operates with a severe energy deficit, producing less than six percent of its domestic fuel requirements from its own resources. All of Georgia's natural gas supply is imported from neighboring countries, with the majority coming from Russia. The USTDA grant will support Georgian efforts to develop the country's CBM/CMM resources by funding an evaluation of the economic, financial and technical viability of recovering methane from coal seams, active coal mines and abandoned coal mines in the Tkibuli-Shaori coal basin, as well as various end-use options for the recovered methane.

Earlier this year, USTDA awarded a grant to Aword Capital, LLC, a private Georgian real estate developer, to help meet the growing demand in Georgia for world-class healthcare. Currently, the Georgian healthcare system is dominated by a public system that is underfunded, resulting in a standard of care at public facilities that is below internationally accepted levels. Private healthcare is permitted and advancements have been made in developing the private market. To increase the availability of state-of-the-art medical technologies, AWORD Capital has partnered with the American Associates of Democracy in Georgia, a U.S.-based non-profit organization, and the Tbilisi-based AIETI Medical School to develop a 120-bed American standard hospital in Tbilisi. The proposed hospital would serve more than 8,000 inpatients and approximately 15,000 outpatients each year.

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Since 1993, USTDA has provided about \$6 million to benefit Georgia, funding a number of studies on major projects in critical sectors, including energy and power, agribusiness, telecommunications, and transportation. USTDA assistance contributed toward the development of the Baku-Tbilisi-Ceyhan pipeline project, for which the agency provided approximately \$1 million for transaction advisors to assist in the negotiation of the host country and intergovernmental agreements that form the basis for the project.

Two other important USTDA projects in Georgia involved cooperation with other U.S. Government agencies. An agency-supported study on upgrades to Georgia's air traffic control system led the Export-Import Bank of the United States to provide a guarantee to support a \$17 million sale of Northrup Grumman equipment. Another USTDA project, which is still under development, involves the establishment of a refrigerated warehouse at the Port of Poti. That project garnered support from the Overseas Private Investment Corporation in the form of a \$3.9 million loan.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.