

A**REPORT
Batumi**

- 01 'Prince and Princess' of Expo Batumi in traditional costume
- 02 Batumi's Seaside Park
- 03 Soviet-era flats get a modern makeover



01

02

BATUMI BOOM —Georgia

Preface

Georgia's second city is in the midst of a frantic transformation from sleepy resort to major tourist and investment hub. Intent on branding itself as a European-style cultural hotspot, it also aims to become a Caucasian Las Vegas. Critics say it's an identity crisis-in-waiting.

WRITER
Daniella Peled

PHOTOGRAPHER
Andres Gonzalez

The Sublime nightclub, with its cream leather banquettes, deep house and bottles of Cristal, should be an example of how much Batumi, Georgia's second city, has changed; in Soviet times, this building used to be an army recruiting centre. This Black Sea resort is now undergoing a rapid transformation, including the construction of 10 five-star hotels (just what every city of more than 200,000 needs), a GEL25m (€10.8m) opera house and a 7km-long seaside esplanade, all part of Georgia's attempt to shrug off its old reputation as a seedy, crime-ridden Caucasian backwater and turn Batumi into the Monte Carlo of the Black Sea.

At Sublime though, the effect is spoiled by the drunken behaviour of two of the country's most senior national-level politicians, who think it acceptable to grope a visiting journalist. One follows us back to our hotel and then ambushes us at a business lunch the next day. No one raises an eyebrow. "Well, you wanted to see the night life," shrugs our government guide when it is said that sexual harassment isn't the best PR for Batumi.

03



So perhaps the transformation isn't quite complete. It's a pity, because Georgia has made vast strides since the Rose Revolution toppled dictator Eduard Shevardnaze in 2003. Although President Mikhail Saakashvili has come in for fierce criticism for his own autocratic tendencies, he has done much to open up the country. Georgia is now ranked 12 out of 183 economies by the World Bank for ease of doing business, previously endemic low-level corruption is being addressed and numerous preferential trade agreements agreed.

Many consider the development of Batumi, capital of the semi-autonomous Adjara region, to be the embodiment of Saakashvili's avowed aim of transforming his country into a western-friendly investment hub. Others, however, are unsure about his motives. "Batumi is an obsessive Saakashvili project," sniffs one Tbilisi-based journalist, "and all this hyperactive construction an attempt to compensate for losing the war and distract us from his failures." But the pace of change is undeniable.

In the Old Town, ornate 19th-century buildings are being renovated and new ones built strictly to the same style. Palm trees and fountains fill the squares, and the newly laid pavements allow room for alfresco seating at cafes and restaurants. On the seafront, ground is being cleared for a Donald Trump development and vast

- 01 Deputy minister of finance and economy of Adjara, Grigol Tsamalashvili
- 02 Wedding party in front of a statue dedicated to St Andrew
- 03 View of the city from the Sheraton Hotel
- 04 Director of the Batumi Art Museum
- 05 State Drama Theatre in Theatre Square
- 06 Traditional dancers outside Expo Batumi
- 07 Vendor at Batumi Expo

- 01 Deputy minister of finance and economy of Adjara, Grigol Tsamalashvili
- 02 Wedding party in front of a statue dedicated to St Andrew
- 03 View of the city from the Sheraton Hotel
- 04 Director of the Batumi Art Museum
- 05 State Drama Theatre in Theatre Square
- 06 Traditional dancers outside Expo Batumi
- 07 Vendor at Batumi Expo

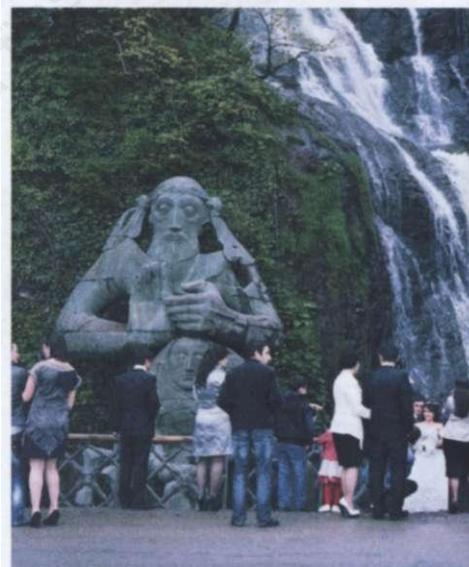
structures are springing up, among them a 250-room Kempinski Hotel and the Alphabetic tower, curlicues of Georgian lettering spiralling up its rising storeys.

Whole new neighbourhoods are being established among the citrus groves along the route to the international airport, which was opened in 2007, and a Formula 3 circuit is being built into the city's road system, Monte Carlo-style. Other schemes include granting every hotel with more than 100 rooms a free 10-year casino licence, and plans with Royal Caribbean for Batumi to become a future cruise destination.

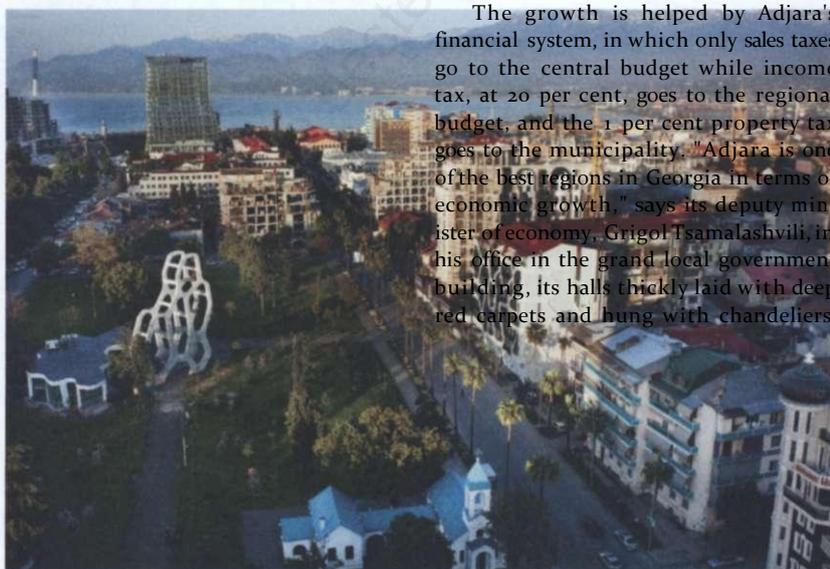
The growth is helped by Adjara's financial system, in which only sales taxes go to the central budget while income tax, at 20 per cent, goes to the regional budget, and the 1 per cent property tax goes to the municipality. "Adjara is one of the best regions in Georgia in terms of economic growth," says its deputy minister of economy, Grigol Tsamalashvili, in his office in the grand local government building, its halls thickly laid with deep red carpets and hung with chandeliers.



01



02



03



04



Noting last year's GEL120m (652m) in private investment, 75 per cent of it international, he adds, "It has become very interesting for foreign investors; they are seeing infrastructure built, the area's entertainment capacity grow and beautiful sightseeing opportunities developed. They understand this region has a future."

At the heart of this development is a desire to brand Georgia as part of Europe, and Batumi - a 15-minute drive from the Turkish border - as a bridge between East and West. Batumi's black pebble coastline might not be to the taste of all European visitors, but there's a scheme to import golden sand to cover a number of beaches. All the newly refurbished boutique hotels seem to have names like Hotel de France, or London, or Versailles. Batumi even has the Caucasus's first city bike-hire scheme.

In the central plaza (called Europe Square) stands a giant column topped with a statue of Medea brandishing the Golden Fleece, which legend recounts was found in Georgia. "The statue wasn't a very popular choice here," says Irakli Goradze, director of international affairs in the regional government, "because she beuayed her family. But the logic was that at least she is a figure known in Europe."

Goradze, like many others, describes the ultimate aim for Batumi as regeneration rather than Uansformation, a return to its late 19-century economic boom, when - as the location of a crucial oil pipeline - it was a quasi-European outpost, hosting 27 international consulates and attracting business moguls such as the Nobel and Rothschild brothers.

Money matters

Bottle of Cristal champagne in Sublime nightclub: €580

Monthly salary of a hotel chambermaid: €82 to €165

Price of a flat in the Batumi's Old Town: €690 to €1,376 per sq m

Number of luxury car dealers: 2

Number of foreign language teachers brought in by local government to give free lessons: 1,000

Unemployment rate in Adjara: 24 per cent

Empires have come and gone since then, and Batumi's commercial importance faded to be replaced as a bucket-and-spade destination for Russian tourists seeking its year-round balmy temperatures and amenable hospitality, featuring copious amounts of local wine (and a fantastic cuisine that includes much use of pomegranate, fresh herbs and walnuts). But the charming Old Town was allowed to decay, overshadowed by concrete Soviet edifices, and in the post-Communist era it was further exploited by Adjara dictator Asian Abashidze. "In Soviet times large parts of Adjara were a closed military zone and the border with Turkey was shut, and before he was kicked out in 2004 Abashidze very much conuolled it with a mafia-like system," says Tsamalashvili.

In those days, nothing worked. Paata Dzidziguri, a 29-year-old musician and co-owner of nightspot Vinyl Cafe, recalls growing up playing acoustic, candlelit gigs - not for the atmosphere, but because there wasn't any electricity. Now, the low-lit ambience of his bar is by design rather than necessity. "Life is

A**REPORT
Batumi**

- 01 Batumi Seaside Park
- 02 Traditional dancers
- 03 New Batumi Ballet and Opera Theatre



01



02

better now for young people," he says. "We have live music here in the summer, there's an alternative scene too, and even in the winter it's starting to pick up a bit."

But not everyone is happy. Critics point out that the town is being developed in too many directions at once. Officials want to attract tourists from Turkey, Armenia, Azerbaijan, Iran, Ukraine and Eastern Europe. But visitors from Western Europe are being targeted too, both high-end and budget (there are talks with Ryanair to fly to Kutaisi, two hours away).

Batumi is envisioned as a location for family holidays, with the beautiful Mtirala national park providing bird-watching, mountain-climbing and winter sports, but it is simultaneously being sold as a Las Vegas-style gambling resort mixed with a beachside clubber's paradise. It is somewhere to showcase opera and folk music, but also super-cheesy beauty shows; it's a city that welcomes international business conventions and talent competitions alike. "And we are promoting Batumi as a destination for Iranians celebrating Nowruz, their spring festival," enthuses Goradze.

As Batumi is such a small town (population 124,000), the different aims sometimes collide. On the esplanade, a family firm offering regional delicacies, its garden filled with miniature Adjara farmhouses, is next door to a pole-dancing club in a building shaped like a windmill. The fre-

netic pace of change makes even locals dizzy. "They go too fast in my opinion," says Koos Hanenberg, a Dutch businessman who has divided his time between Rotterdam and Batumi for the past 17 years. He sits in his latest investment, the seafront Cinema cafe, a Parisian-style hang-out with soft jazz and film posters on the wall. While agreeing change was needed ("My first time here it was hard to buy bread or even beer"), Batumi, he worries, can't keep pace. "I understand the government wants to change as fast as possible, but this kind of huge development is a big, big pity," he says.

There's also a way to go before the region can cope with an influx of visitors. There are currently barely 8,000 hotel beds in the whole of Adjara, with 15 million tourists predicted to visit this year. And while infrastructure projects gallop along, Georgian social mores may be slow to change. German business expert Kurt Heinz Reitz, who teaches at the Shota Rustaveli State University in Batumi, says, "There is no experience of European or US-style customer service. Georgian hospitality in private houses is excellent; business hospitality has to improve."

And he gives another example. "You have a lovely smile but in the mountains here, women shouldn't smile at strangers." Perhaps that's where we went wrong in Sublime. — (M)

**Moments from
Batumi's history**

In the beginning Batumi was first mentioned in the 4th century BC by the philosopher Aristotle, who derived its name from the Greek word "batis" meaning deep – a reference to the city's harbour.

Oil be there The Batumi Oil Terminal was founded in 1883 by the Nobel's family business, Branobel, which began building a 200mm-diameter wooden pipeline from Baku to Batumi that became the world's first long-distance pipeline.

Almost famous The Hotel Intourist Palace in Batumi was chosen as the meeting place for the heads of the three Allied powers at the end of Second World War but at the last minute the venue was changed to Yalta in Ukraine.

Dictator in training Future Soviet ruler Joseph Stalin came to Batumi in late 1901 and spent several months trying to organise workers into a Communist cell before being arrested and imprisoned.

Rotten ruler Aslan Abashidze was a separatist who ruled Adjara from 1991 to 2004, before being deposed and found guilty in absentia of embezzling €44m of state funds.



03