

Borjomi Water Supplies to Russia Resume

By The Moscow Times

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The supplies of Georgia's Borjomi mineral water to Russia have resumed, IDS Borjomi Georgia CEO Zaza Kikvadze said, Interfax reported.

The company has passed all the necessary procedures to access the Russian market, and the first batch of Borjomi has already crossed the Georgian-Russian border, he said Sunday.

IDS Borjomi Georgia plans to regain its leading position on the Russian market and might appear on supermarket shelves in early June, he said.

According to Zaza Kikvadze, all necessary contracts with retail chains have been signed.

The company expects its mineral water sales in Russia to grow by 25 percent in the year following its comeback to the market, he added.

IDS Borjomi Russia, an affiliate of IDS Borjomi Georgia, will be the supplier for Borjomi

in Russia. IDS Borjomi Russia's portfolio includes the Sviatoy Istochnik brand and products under the Edelweiss trademark.

Russia's Federal Consumer Protection Service ordered a ban on the import of Georgian wine, mineral water and other products in 2006, citing consumer safety concerns.

Georgia at the time condemned the embargo as an attempt to undermine the country's economy.

The mineral water ban came amid political tensions between Russia and Georgia in 2006 and was widely seen as a punishment meted out on President Mikheil Saakashvili, a foe of the Kremlin.

Before the ban, IDS Borjomi Georgia had a strong position on the Russian market, with sales growing 30 percent annually. In 2005, the company sold more than 10 million bottles in Russia. IDS Borjomi Georgia reported \$50 million in revenue for that period.

Russia, which broke diplomatic relations with Georgia in 2008 after a short military conflict, started to re-establish business ties with its northern neighbor after Prime Minister Bidzina Ivanishvili assumed power last year.

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