The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Georgian Government Takes Over Borjomi Shares From Sanctioned Russian Owners

June 14, 2022



borjomi.com

The Georgian government will become a co-owner of Borjomi, the country's iconic mineral water brand, by taking over shares from its sanctioned Russian owners, the country's Prime Minister Irakli Garibashvili said at a government meeting Monday.

Borjomi, one of Georgia's most recognizable brands, had been majority owned by Russia's Alfa Group since 2013. Alfa was hit by Western sanctions following Moscow's invasion of Ukraine on Feb. 24, forcing IDS Borjomi International to suspend production due to financial difficulties.

Related article: Borjomi Workers Strike as Georgia Prepares To Take Over Russian Shares

At the government meeting, IDS Borjomi revealed that Alfa would transfer a 7.73% share in

the company to the Georgian government free of charge, the Agenda.ge news website reported.

Alfa Group will cease to be the controlling shareholder following the deal.

The company also said the number of shareholders on its Board of Directors would be reduced from eight to two and that the Chairman of the Board will be a government representative.

Garibashvili said the deal had been agreed with Georgia's international partners and through consultations with British-based regulators.

He also pledged to resolve ongoing issues between the company and some 400 Borjomi plant workers, who went on strike in May over claims that their salaries weren't being paid and that 50 fellow workers had been illegally fired.

Original url:
https://www.themoscowtimes.com/2022/06/14/georgian-government-takes-over-borjomi-shares-from-sanctioned-russian-owners-a77993