



INVEST IN GEORGIA

GEORGIA
A PLEASURE
DOING BUSINESS



INVESTMENT CLIMATE
AND OPPORTUNITIES



WHY GEORGIA



Strategically located at the crossroad of Europe and Asia



7th Easiest Country to do Business
(World Bank's Ease of Doing Business Report 2020)



3rd Least Tax Burden Country, with 9.9% Total Tax Rate
(World Bank Group)



Competitively Priced, Skilled and Productive Workforce



Free Trade Agreements with Market of 2.3 Billion population
(Including EU, EFTA, CIS and China)



THE COUNTRY AT A GLANCE



- Region: **Europe**
- Population: **3.7 Million**
- Capital: **Tbilisi**
- Government type: **Parliamentary system**
- GDP Per Capita (2022*): **USD 6,671**
- Inflation (2023): **2.7%**
- Currency: **Georgian Lari**



GDP in 2022*

24.6 bln USD



Real GDP Growth Rate
(2022*)

10.1 %



Share of Reinvestments
(2018-2022 average)

58.1%



FDI to GDP Ratio
(2018-2022 average)

6.8%

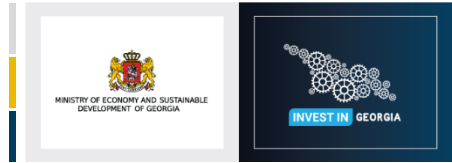


FDI inflow
(2022)

2 bln USD
(all time record)

Source: Geostat

GEORGIA STANDING OUT



OECD FDI Regulatory Restrictiveness Index 2021



8th

Georgia ranks 1st among non-EU countries

TRACE Matrix 2021

Interaction: Contact with government



1st

Georgia ranks 29th in overall standings out of 194 countries

Safety Index 2023



18th

Georgia ranks 9th in Europe

Global Services Location Index - GSLI 2023

KEARNEY

24th

Georgia ranks 8th in Europe

WJP Rule of Law Index 2022

Eastern Europe & Central Asia Region



1st

Georgia also ranks 7th in the group of Upper Middle Income countries

Association Agreement and DCFTA with the EU

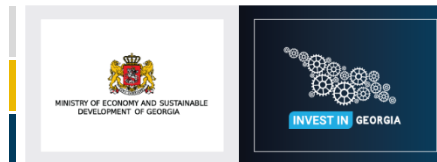


Georgia has a Deep and Comprehensive Free Trade Area, an Association Agreement, and Visa-free travel regime with European Union

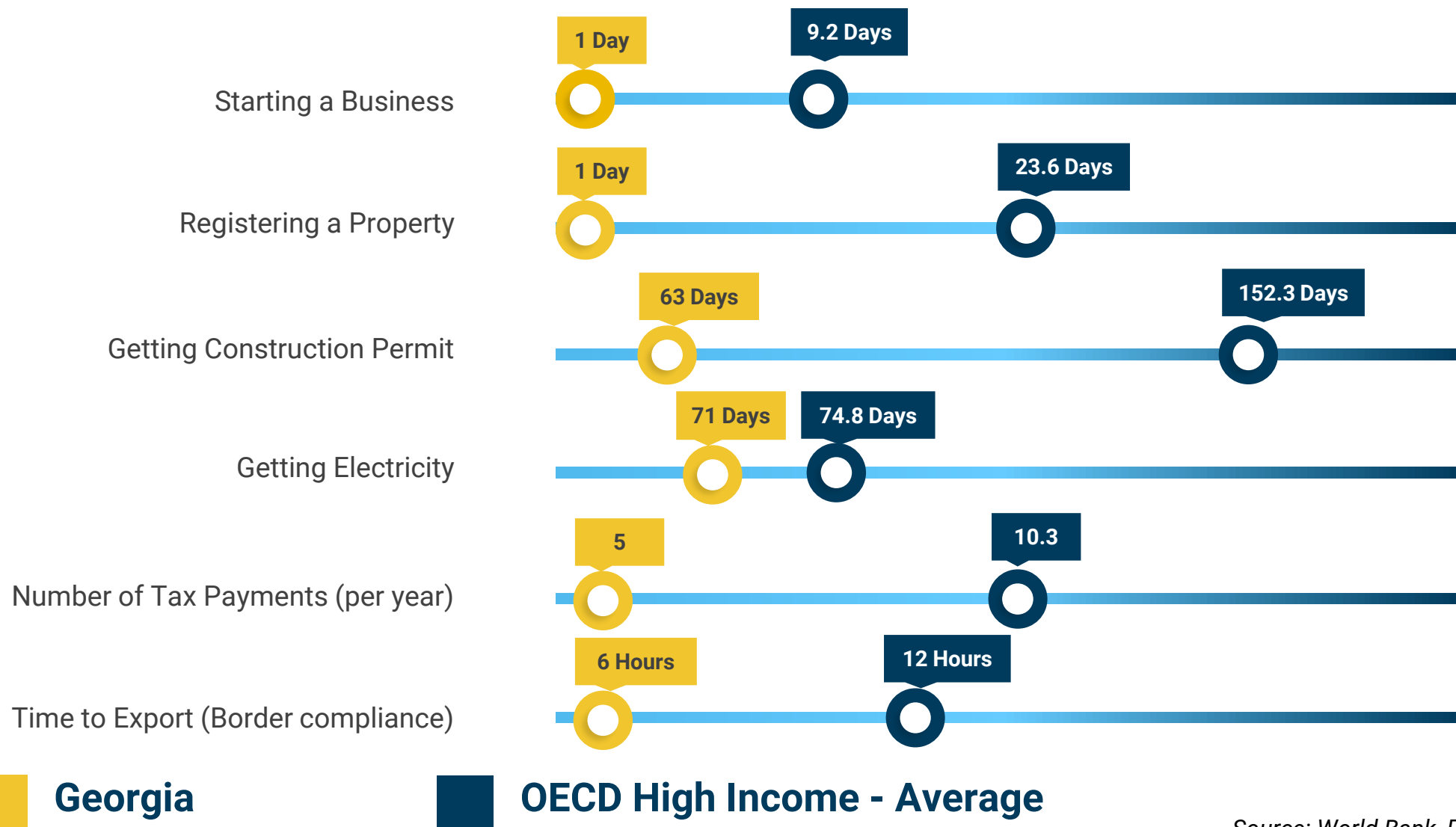
“Deep reforms in economic management and governance have earned Georgia a reputation as star reformer” - World Bank Group Georgia



SPEND LESS TIME ON PAPERWORK

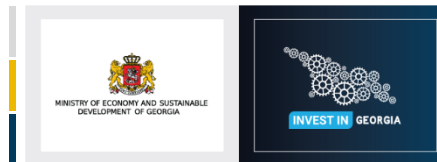


Georgia Ranks 7th in Ease of Doing Business Ranking, Here's Why:



Source: World Bank, Ease of Doing Business 2020

YOUR NEARSHORING DESTINATION



Centrally located to access Europe, Asia and the Middle East



Simple and **service-oriented customs policy** and administration



80% of goods are free from import tariffs



Membership of both **Middle Corridor** and **TRACECA**



Connected to the **EU's Trans-European Transport Networks**

■ EU - DCFTA

■ UK - FTA

■ EFTA - FTA

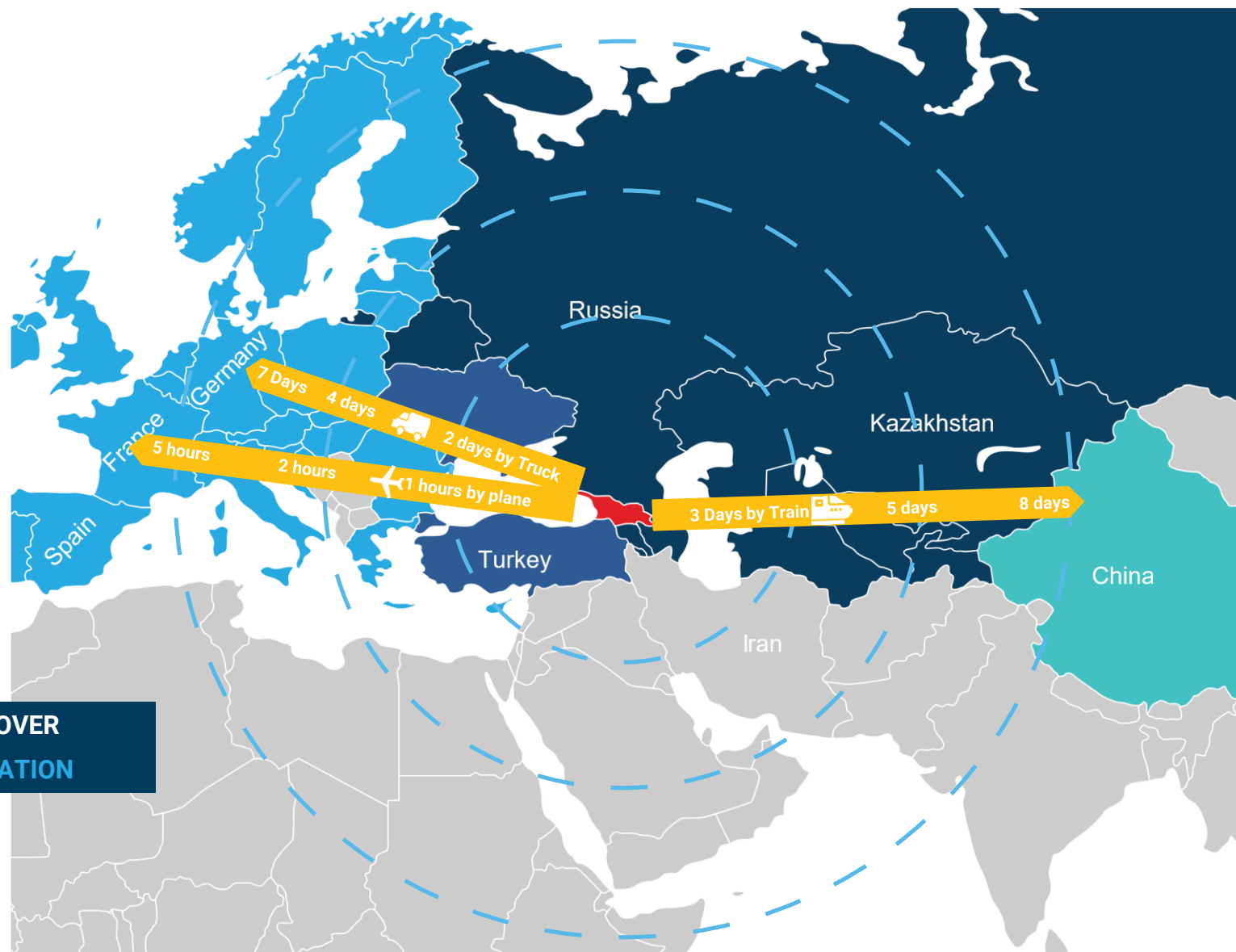
■ CIS - FTA

■ Turkey - FTA

■ Ukraine - FTA

■ China (incl. Hong Kong) - FTA

**FREE TRADE AGREEMENTS COVER
MARKET WITH 2.3 BLN POPULATION**



ACCESS TO FRESH TALENT POOL

Graduate talent pool

Over **122,000** students graduated from public and private HEIs (bachelor, master and professional programs) in last 5 years

Multi-lingual skills

~574,000

English, German, French, and Italian speakers in major cities of Georgia

(Source: Deloitte research)

Specialized English, German and other European language schools available in the country



'We have today a very good engineering team because they are very responsive and very well educated'
Arie Weisbort, CEO Aerostructure Technologies Cyclone



Literacy Rate

98 %



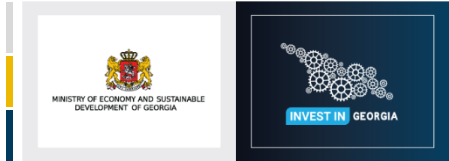
64 HEIs and 66 VETs



Population with Secondary Education

92 %

ACCESS YOUNG, SKILLED AND COMPETITIVE TALENT POOL



Flexible Labor Code
No Minimum Wage Regulation



Labor Productivity Growth
8.5%
(ILOSTAT)



Total Workforce
1.6 mln

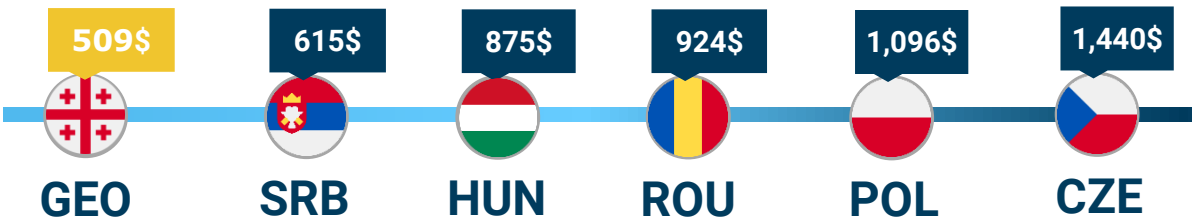


Unemployment
17%

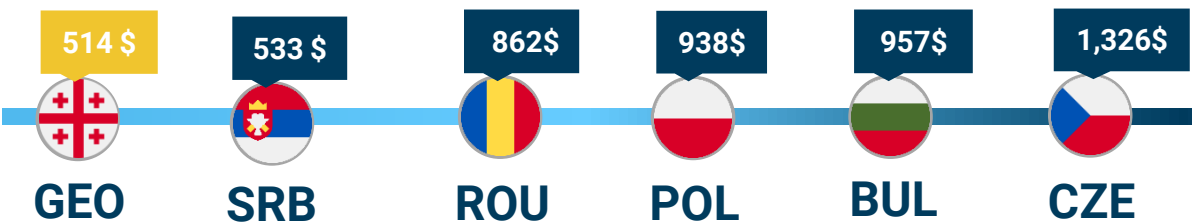


Unemployment with advanced education
11.3%

Average Monthly Salary for Skilled Production Operative
(including social security)



Average Monthly Salaries in Customer Service
(including social security)



Source: fDi Benchmark from the Financial Times Ltd 2023

‘We have found the Georgian workforce to be highly skilled, highly educated and add value to our company’ - Ann Davies, Head of Country, Georgia, BP



COMPETITIVE OPERATIONAL COSTS



Green Energy

70% of generation
form renewables



Power Exchange

Day ahead, intra day
and balancing
markets
(operated By Nord Pool)



Corporate PPAs

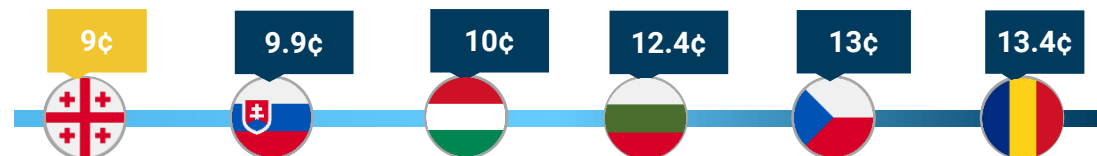
All consumers (ex.
Household) can find
direct supplier



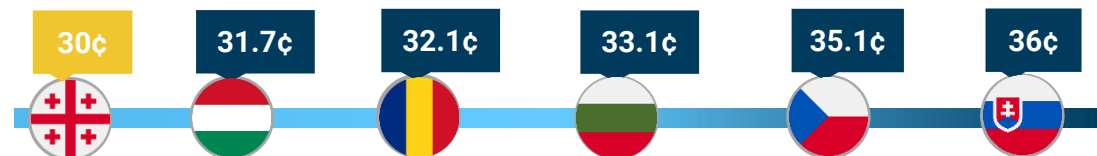
Partially Deregulated Gas Tariff

Buyer can choose
supplier and
negotiate price

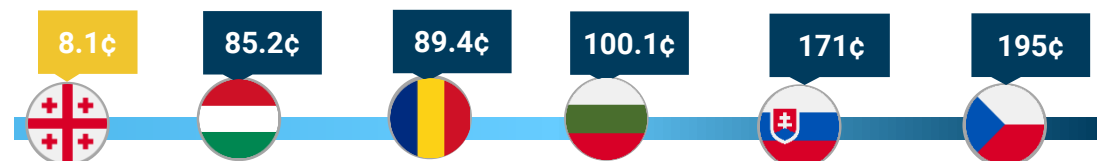
Electricity (per kWh)



Industrial Gas (per c/m)



Water (per c/m)



**all utility costs are given in USD Cents*

Source: fDi Benchmark from the Financial Times Ltd 2023



GEO



CZE



HUN



ROU



SVK



BGR

BENEFIT FROM THE MOST ATTRACTIVE TAX SYSTEM



0 %

Tax on Retained Profit



THE WORLD BANK

3rd

**Least Tax Burden Country
in the World by Total Tax Rate
(% of profit)**



4

Free Industrial Zones

- Pension contribution* – 2% paid by Employer, 2% paid by Employee
- Personal Income taxes for interest, **dividends and royalties are just 5%**
- **Double Taxation** avoidance Treaties with 57 countries

*up to 2% paid by Government until savings reach 60,000 GEL

Taxation System



0% or 15 %

Corporate Profit
Tax



20 %

Personal Income
Tax



18 %

Value
Added Tax



<1%

Property
Tax



Select Items

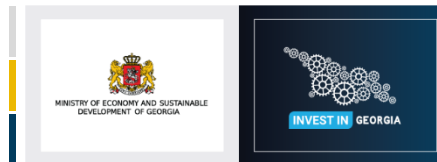
Excise Tax



0%, 5%, or 12%

Import Tax
(depending on
goods imported)

WE ARE HERE TO SUPPORT YOUR BUSINESS



FREE INDUSTRIAL ZONES



Special Tax Regime

- Exemption from all taxes except Personal Income Tax (20%), which is paid from employees' salaries (goods produced for export)
- In case of import from other territory of Georgia, the company has to pay VAT and 4% of revenue from national sales
- Simplified Procedures and Available Facilities
- Great Location: Tbilisi (capital city), Poti (sea port), Kutaisi (International Airport)

TAX INCENTIVES

International Company status

Profit and personal income taxes for IT companies reduced to 5%

FINANCIAL INCENTIVES



State Support Programs

- Subsidies for loan interest payment – 5.25% (Hotels and Manufacturing)
- Collateral Guarantee co-financing - up to 80% of the principal (Hotels and Manufacturing)



FDI Grants

- Eligible sectors: electronics, auto & aircraft parts, BPO, MRO, logistic centers
- Cashback on investment costs, including workforce training costs
- Investment obligations:
 - Manufacturing of electronics, auto & aircraft parts - at least 100 new jobs created and USD 3 mln investment
 - BPO/SSC/GBS - at least 200 new jobs created and USD 0.8 mln investment
 - IT - at least 50 new jobs created and USD 0.8 mln investment
 - MRO, logistic centers - at least 50 new jobs and USD 3 mln investment



investingorgia.org

18 Uznadze str. 0102 Tbilisi, Georgia

THANK YOU



MINISTRY OF ECONOMY AND SUSTAINABLE
DEVELOPMENT OF GEORGIA