

ANNUAL REPORT 2015



Ministry of Economy and
Sustainable Development
of Georgia



ENTERPRISE GEORGIA

ANNUAL REPORT 2015



ABOUT US

Enterprise Georgia was established in March of 2014 under the Ministry of Economy and Sustainable Development of Georgia. Enterprise Georgia is the first government institution in Georgia mandated to facilitate private sector (and in particular SME) development through a variety of financial and technical support mechanisms, as well as export support.



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ADDRESS BY DIMITRY KUMSISHVILI MINISTER OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA



Our economic policy is oriented on creating new opportunities for local and international investors to start business in Georgia. Many have benefited from the opportunities created by the government and I believe many more will take the chance, grow their business and contribute to the economic development. Most importantly new businesses will create new jobs.

People willing to start business and contribute to the wellbeing of others need support as well and government program “Produce in Georgia” is a vivid example of effective assistance. Up to date the program supported establishment and expansion of 139 business undertakings with total expected investment value of 360mln GEL. In frames of the infrastructural support component of the program 59 state owned properties were given to businesspeople. Overall businesses supported by “Produce in Georgia” program are expected to employ over 6 870 people and thousands of indirect jobs will be created.

I am glad to note that at this stage the new component of the program supporting micro and small enterprises is implemented successfully. In frames of the program up to 6 000 micro businessmen will be trained, 3 000 business plans will be financed and 5 000 new jobs will be created.

“Produce in Georgia” program also plays an important role in the development of tourism infrastructure in the regions of Georgia. Hotel development program offers entrepreneurs an opportunity to benefit from the government support when it comes to co-financing the interest rate for the bank loans, co-financing collateral and even paying franchising royalty for the first two years.

Another new component of “Produce in Georgia” program covers the encouragement of the film industry in Georgia. According to the new initiative government offers local and international investors a special cash rebate from the filming budget spent in Georgia.

As I already mentioned our main goal is supporting the development of the private sector, creation of new jobs, eliminating poverty and in general contributing to the wellbeing of the population.

With this goal two bodies were established under the Ministry of Economy and Sustainable Development. The first one, Enterprise Georgia, is already successfully implementing “Produce in Georgia” program and encourages creation of new businesses. And the second, the Agency for Innovations and Technology is very important since the modern world is driven by new technologies and to stay competitive it is crucial to support development of innovations and new technologies. Both of the agencies support business development and employ different financial and technical assistance tools.

We built and opened the very first Technological Park in Georgia, which besides supporting creation of innovative and knowledge based SMEs, will serve as a good platform for gathering inventors, entrepreneurs, innovators and scientists in a one space. The Technological Park creates an opportunity for attracting investors to Georgia and also hosting the representative offices of international companies in our country. Technological Park features ultramodern laboratory, accelerators and business incubators.

We are launching large scale project to develop broadband infrastructure and deliver high speed fiber-optic connectivity to more than 2000 currently service deficient settlements in Georgia. Such infrastructure will enable ISPs and telecom operators to deliver services and meet demand for broadband services in the areas not covered, thus facilitate competition, entrepreneurship and investment.

Despite the existence of quite challenging situation in our trade partner countries and in general the forecasted economic slowdown in the whole region, Georgia by the end of 2015 is expected to have a 3% GDP growth instead of anticipated 2.8%. According to the forecast of International Monetary Fund, Georgia as a reformer country will feature one of the highest economic growth indicators. The GDP growth in 2016 is expected to be 3% and 5% by 2017, which is the highest figure compared to the other states (for instance Armenia, Azerbaijan, Estonia, Moldova, Lithuania, Kazagstan, Kirgistan etc). Also based on the World Bank outlook in 2017-2018 Georgia will feature the fastest economic growth out of 21 countries of Eastern Europe and Central Asia.

Export support and promotion is high on government agenda in terms of the international trade development. We believe that assisting companies in increasing the range of export production and diversifying markets is key to success.

Georgia already benefits from free trade agreement with a market of over 900 million people, which includes CIS, Turkey and EU. We are also the only country in the region to have negotiations with China regarding the free trade opportunity. When the agreement is in place Georgia will have free trade access to nearly a third of the world market.

We pay a great deal of attention to the cooperation in frames of the U.S. - Georgia Charter on Strategic Partnership. In frames of a high level dialogue we are actively discussion cooperation in the fields of trade and investments, moreover launching negotiations on free trade regime are also on the agenda.

Let me highlight pension system and the capital market reforms, the two direction we are focusing on. Additionally our ministry initiated to start elaborating the institutional and legal framework for the development of the private-public partnerships (PPP).

In the end I should say that the priorities mentioned above will stay on the agenda as those directions are cornerstones to the success of any state. We streamline our efforts and activities to create a more favorable business environment for the private sector, than it has now

Dimitry Kumsishvili

Minister of Economy and
Sustainable Development of Georgia



ADDRESS BY KETEVAN BOCHORISHVILI VICE MINISTER OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA



I am delighted and privileged to summarize the activities of Enterprise Georgia, the agency which was established under the Ministry of Economy and Sustainable Development of Georgia slightly more than a year ago and delivered impressive results in terms of encouraging entrepreneurial activities in the country.

I guess when I address the issue of entrepreneurship development in Georgia, what comes to mind is the highly attractive business environment created by the Georgian government. Many will agree that establishing a company is extremely easy, there is no red tape and the taxation system is streamlined with little number and low level of taxes, however we have observed that the business development was hampered.

Government saw, that the main obstacle faced by entrepreneurs was insufficient access to finance and the lack of business skills and knowledge. Therefore Enterprise Georgia was established in 2014 and started implementing the government initiated program “Produce in Georgia” which aims to boost entrepreneurship through providing Technical and Financial assistance tools to SMEs. One of the main goals was also creating additional jobs and advancing entrepreneurial activities in the Regions of Georgia.

I have been honored to be involved in Enterprise Georgia operations from the very first day and witnessed myself the extraordinary results brought for the advancement of the private sector. Over a one year period in frames of the “Produce in Georgia” program 133 projects were supported and the investment value reached 355 600 000 GEL with over 6700 jobs created. Under the industry support component of the program Enterprise Georgia managed to support 75 businesses, out of which 34

are new business ventures starting their activities from scratch. The estimated investment value is GEL 205 100 000 mln, with anticipated job commitments of 2900. While encouraging entrepreneurial activities in the country the agency targeted different groups and among them the micro and small entrepreneurs from the regions of Georgia. Micro and Small business support project turned out to be very successful since up to 1500 entrepreneurs were financed, who are expected to create 3843 new jobs.

In 2015 Enterprise Georgia spend time analyzing prospective economic sectors bringing further benefits for the country and raising awareness about Georgia. I am glad to say that after years of our work the agency offered the government two entirely new directions of film industry incentive scheme and the co-financing mechanism for the hotel developers. Both of the projects were approved and added as new components to the state program "Produce in Georgia".

From now on international film producers are invited to re-explore Georgia as one of the most favorable filming destinations, since we introduced 20% cash rebate scheme, and coupled it with the amazing filming locations that country offers in terms of nature and existing infrastructure. The hotel developers are also invited to use the unique opportunity of government co-financing interest rates for bank loans, collaterals and even paying the franchise royalty to attract an increasing number of international hotel operators and improve the hospitality management in Georgia. At the same time developing the creative industries is something we will be focusing on next year. Along with supporting filmmaking, fashion and design, crafts and other directions, we aim to encourage people commercialize their talent and contribute to economy. We are looking forward to creating a platform for information exchange between the business and cus-

tomers, at the same time government discusses establishing incubators and clusters for creative industries.

I would like to thank the commercial banks and the Association of Banks of Georgia who willingly partnered with Enterprise Georgia in frames of the "Produce in Georgia" program and were able to issue loans for up to GEL 118mln since 2014, with state co-financing interest rates. Special gratitude should be expressed towards international organizations and donors who supported Enterprise Georgia activities and contributed to its capacity building. Also let me thank each businessman who got involved in "Produce in Georgia" program and started or expended business with the help of the government.

Finally let me thank Enterprise Georgia management and each staff member whose valuable commitment and extraordinary dedication helped establish new enterprises, create jobs and advance the wellbeing of Georgian citizens.

Ketevan Bochorishvili

Vice Minister of Economy and
Sustainable Development of Georgia




MESSAGE FROM THE CEO



2015 was a year of hard work, challenges, achievements and excellence for Enterprise Georgia. We saw the successful completion of our plans and significant delivery of various activities associated with government strategy for entrepreneurship development in Georgia.

As the governmental flagship organization for supporting entrepreneurship in the country and actively contributing to the private sector advancement, Enterprise Georgia streamlined its all activities for encouraging new ventures and the expansion of the companies. Our vision is based on forming a private sector driven and export led economy, since we see it as a key to the successful economic and social development of the country.

Last year we started the active implementation of “Produce in Georgia” program, which was launched in June 2014 by the Government of Georgia to facilitate private sector development in the directions of industrial manufacturing and agro-processing. Thanks to our commitment an increasing number of businesses obtained much easier access to finance what enabled them establish new ventures across a number of economic sectors like construction materials, chemicals, pharmaceuticals, paper production and packaging, electronic equipment, plastic and metal production.

Enterprise Georgia helped companies to start, develop and grow, therefore focused its activities around key objectives of supporting development of manufacturing industries in Georgia, encouraging diversification of Georgian goods and services and identifying new sectors with high potential for growth. Also when it comes to the regions of Georgia, we aimed at estab-

lishing micro enterprises, promoting modern business practices and increasing income of the regional population.

Throughout 2015 job creation has remained high on government agenda and Enterprise Georgia focused on supporting labour intensive production, enterprises which invested in staff trainings. So far we supported 75 businesses, with over 2900 expected job commitments. Moreover since 2014 Enterprise Georgia, under the Ministry of Economy and Sustainable Development launched a special project for “Micro and Small Enterprise Support” in the regions of Georgia. To date we signed contracts for 1006 approved business plans, respectively 1550 entrepreneurs will be financed in frames of those business plans and will create over 3843 new jobs across the county. I am glad to say that women entrepreneurs have been very active since their share in the financed projects is over 36%.

The beneficiaries of our export support program also found last year highly rewarding. With the direct support from Enterprise Georgia 113 Georgian participants took part in over 15 international trade fairs, mission and other events. As a result the total value of contracts signed by Georgian export oriented companies in frames of the international events exceeded 40 million GEL. We regard this to be a major achievement and plan to render an extensive support to lo-

cal companies during 2016, helping them enter new markets, obtain competitive advantage and promote Georgia overseas. Enterprise Georgia is developing an export strategy document which will be tailored to the needs of the local companies and takes into consideration their main concerns. Also it is noteworthy that we have provided DCFTA related trainings and information to over 160 SMEs and 600 have received relevant information from our service center.

2015 was also a year for excellence and international recognition for Enterprise Georgia. With the help of GIZ, Enterprise Georgia made important step. The Agency recently joined the list of world known companies such as Robert Bosch, BMW, VW, Xerox, Ricoh, Grundfos, and Philips who boast to have a European Foundation for Quality Management (EFQM) degree. For Enterprise Georgia international recognition like EFQM is crucial, since we focus on establishing effective cooperation with private and public sector representatives within the country and abroad.

Enterprise Georgia in a consortium with Georgia's Innovation and Technology Agency (GITA) recently joined Enterprise Europe Network (EEN). Through this wide network we aim to gain access to contact points providing information and support for SMEs in the fields of international business cooperation, innovation, knowledge and technology transfer.

It was also the year when I took over agency's former CEO, George Tsikolia's office, who steered the agency through the most challenging phase of developing financial support mechanisms for SMEs and establishing operations in 2014. I would like to take this opportunity and thank George for his significant contribution to Enterprise Georgia and "Produce in Georgia" program. Also since George was recently appointed Envoy Extraordinary and Plenipotentiary to United States, we plan to continue tight cooperation in developing economic relations with the United States, promoting Georgian export products, planning joint business events etc.

I am delighted to say that we are moving into 2016 with two completely new projects for promoting film

production in Georgia as well as supporting development of hotels in the regions. Government already approved these initiatives and extended "Produce in Georgia" program to the new projects. At the same time we will continue offering sound financial and technical assistance to new enterprises or the ones willing to expand their operations. Small and Micro business support program will be further offered to the regional population.

In the upcoming year we plan to place a greater emphasis on ensuring that the benefits of the "Produce in Georgia" program flow to all regions of the country. We want to make sure that the supported companies are investing in innovation, R&D, staff development. In addition Enterprise Georgia sees a great potential in women entrepreneurs and encourages their participation in every government supported initiative.

In 2016 Enterprise Georgia will closely cooperate with its international partners. Matchmaking of Georgian and Japanese companies will continue with Japan International Cooperation Agency. Training Needs Assessment project is planned to be completed in cooperation with European Training Foundation. "Fit for partnership with Germany" project is in the pipeline jointly with GIZ and German government.

Last but definitely not least I would like to thank the staff of Enterprise Georgia. I am proud to say that these are people standing behind and supporting every single step taken by the agency. The tremendous work and dedication of these young and motivated professionals resulted in the successful implementation of "Produce in Georgia" program, increased exports and Enterprise Georgia's international recognition for quality management.

High proficiency and commitment of our staff members is crucial for Enterprise Georgia operations and consequently for the success of newly established enterprises.

Ani Kvaratskhelia
Acting Director

ან კვარაცხელია





Mission:

Support Georgian enterprises
increase profits and become
globally competitive



Vision:

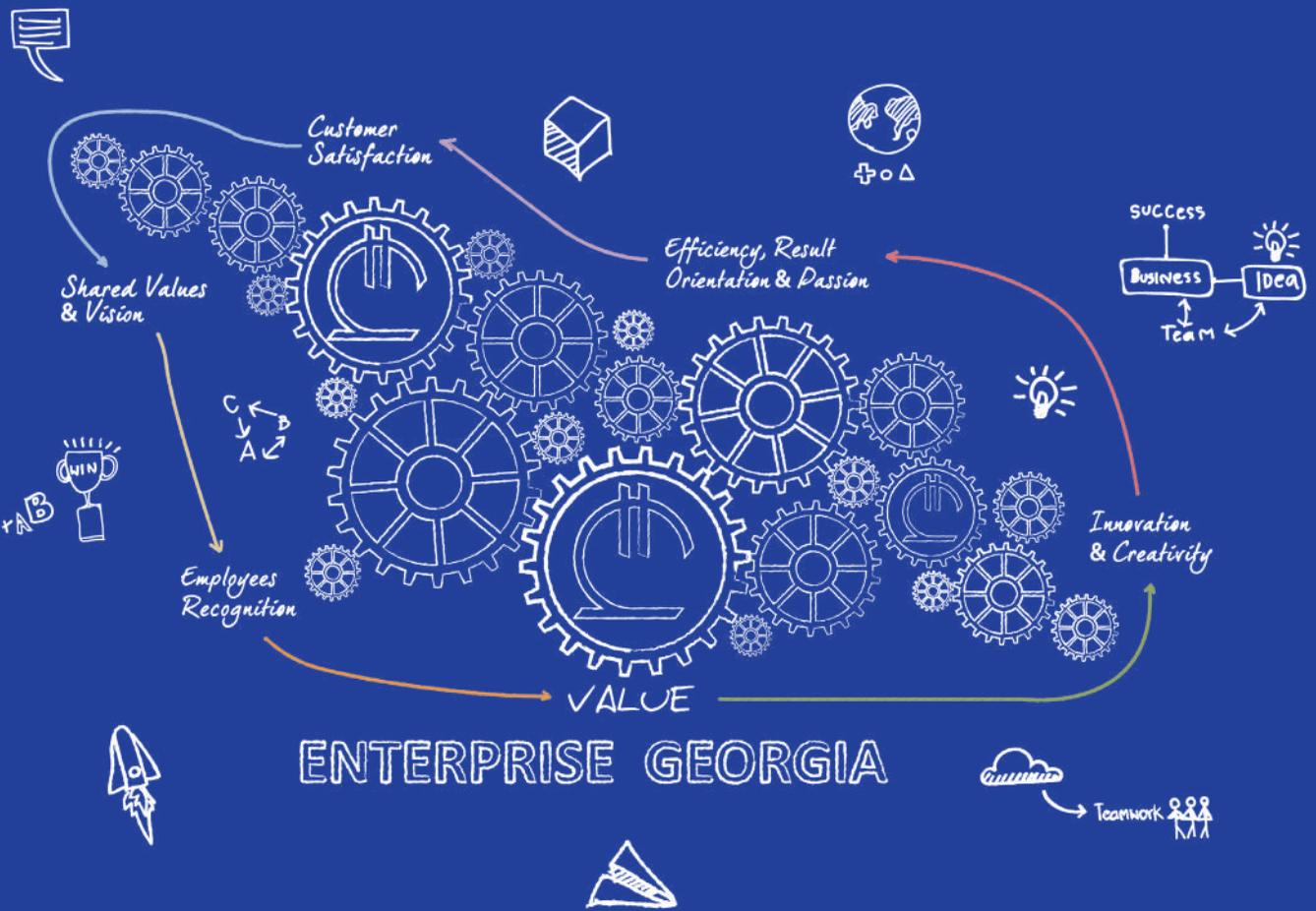
Private sector driven and
export-led economy



Values:

- Innovation and creativity
- Efficiency, result orientation & passion
- Customer satisfaction
- Shared values and vision
- Employee recognition





2015 MILESTONES

WE TOOK SIGNIFICANT STEPS TOWARDS THE ENHANCEMENT OF ENTREPRENEURIAL CULTURE AND KNOWLEDGE AMONG GEORGIAN SMEs AND EXPORTERS

- Together with EY Georgia we organized Mini MBA course for up to 20 companies
- We conducted two Certified Export Manager courses for 43 export managers
- Enterprise Georgia facilitated the first participation of Georgian companies in “Fit for Partnership with Germany” program, company representatives will travel to Germany and participate in “Manager Training Programme”
- We sent two high school students to participate in the one-month Global Entrepreneurship Program at Pennsylvania School for Global Entrepreneurship, Lehigh University, USA



PROMOTED GEORGIAN EXPORTS

With the direct support from Enterprise Georgia 113 Georgian participants took part in 15 international trade events

SUPPORTED GEORGIAN SMEs

We provided support mechanisms tailored to the specific stages of development and financial needs of 75 enterprises



STRIVING FOR EXCELLENCE

1

We became the first state institution in Georgia to obtain Committed to Excellence Certificate by EFQM (European Foundation for Quality Management)

2

In consortium with Georgia's Innovation and Technology Agency (GITA) we became the member of Enterprise Europe Network. From now on we will support enterprises in distributing their business proposals, establishing global linkages and gaining access to huge information database with close to 600 contact points in over 50 countries

3

Enterprise Georgia opened doors of its Service Center featuring modern design and offering pleasant and cozy atmosphere. All interested parties are invited to make the best use of online library, meeting space, help desk and attend lectures and trainings

4

We successfully launched Micro and Small Enterprise Promotion Program in all regions of Georgia, rendering financial assistance and promoting regional entrepreneurship for the prosperity of the national economy

OUR TEAM

Enterprise Georgia is not an abstract legal entity. Enterprise Georgia is its people - a team of young and motivated individuals whose hard work, enthusiasm and commitment ensures the success of the Agency.



We work...

in a nurturing environment where opportunities are offered, skills are stretched and excellence is rewarded.



ENTREPRENEURSHIP DEVELOPMENT

The corner stone of Enterprise Georgia's activities is working towards entrepreneurship development in the country, enhancing entrepreneurial spirit and culture.

The intensive work of the agency is the response to the existing situation in the country - 99% of registered businesses in Georgia are SMEs, which employ over 40% of the whole population, however SME sector contributes only 16% to GDP. The main reasons behind this are limited access to finance and lack of needed qualifications to run a successful business.

Throughout 2015 Entrepreneurship Development Department focused its activities around key objectives that include supporting development of manufacturing industries in Georgia, encouraging diversification of Georgian goods and services and identifying new sectors with high commercial potential. The agency actively followed the main principle of supporting establishment of new enterprises and creating employment opportunities.

Therefore to respond to the needs of the entrepreneurs and make establishing or expanding business operations much easier Enterprise Georgia offered sound financial and technical assistance mechanisms. In the long run these mechanisms are expected to significantly increase the competitiveness of the Georgian private sector and promote transfer of innovation and technology.



Financial Assistance:

Enterprise Georgia is the key implementing partner of the state initiated program "Produce in Georgia", which supports and encourages the creation of enterprises across Georgia. Since the launch of the program in 2014 Enterprise Georgia supported 79 businesses, out of which 34 are new business ventures starting their activities from scratch. The estimated expected investment value is GEL 205,1 mln, with total anticipated job commitments of 3835. With Enterprise Georgia co-financing the loans, commercial banks were able to issue loans for up to GEL 118 mln.

Throughout 2015 within the frames of "Produce in Georgia" program Enterprise Georgia successfully created a number of business opportunities in different sectors. The agency helped entrepreneurs explore and benefit from the untapped and commercially attractive sectors such as Pharmaceuticals and Chemical Industries.

One of the significant results of Enterprise Georgia's activities is the intensification of business activities in the regions of Georgia. According to the recent data, around 40% of companies were able to start their activities in the rural area, thus the goals related to increasing the competitiveness of businesses and creating jobs opportunities in the regions were achieved.





DEVELOPING THE ENTREPRENEURIAL ECOSYSTEM

In May 2015 in partnership with EY Georgia (Former Ernst & Young) business academy Enterprise Georgia organised intensive mini MBA program for the representatives of 20 Georgian companies. The aim of the course was to provide entrepreneurs with the modern business practices, improve essential management skills and further advance production processes at their enterprises.

The course gave the entrepreneurs the opportunity to explore issues such as advancement in company policy planning and the basic strategy of management, as well as economic analysis of managerial decision through

the following four modules:

- Business strategy
- Finances
- Increasing professional efficiency
- Effective use of management

With the support of Enterprise Georgia, 2 most prominent Georgian high school graduates had an opportunity to go through the intensive entrepreneurial educational course at Leigh University, USA.

Active steps have been taken in terms of nurturing the entrepreneurship among the young population.



FILM PRODUCERS AND HOTEL DEVELOPERS WILL ALSO BENEFIT FROM “PRODUCE IN GEORGIA”

Besides implementing the SME support projects, during 2015 Enterprise Georgia actively focused on analyzing the market trends and came up with two new projects which will help explore the untapped potential of film industry in Georgia and also assist entrepreneurs develop hotels across the country.

The hotel industry incentive scheme along with film industry incentives are officially added to the State Program “Produce in Georgia” and from now on entrepreneurs and international film producers are invited to benefit from the incentive.

FILM INDUSTRY INCENTIVE SCHEME

From now on international film producers are invited to re-explore Georgia as one of the most favorable filming destinations, since the Government of Georgia in frames of the “Produce in Georgia” program introduced a special film industry incentive - cash rebate scheme, and coupled it with the amazing filming locations that country offers in terms of nature and existing infrastructure.

The major goal of the new initiative is to popularize Georgia as the filming destination, share experience of producers and directors, and at the same time encourage shooting international films and other products in Georgia.

Enterprise Georgia offers local and international producers from 20% to 25% rebate of qualified expenses incurred in Georgia on the following production: Feature Film, Internet/TV Film, Drama/Series, miniseries (including pilots), Animated Film, Documentary, Commercials, Reality Show and Music video.

For the maximum comfort of the producers Enterprise Georgia will ensure provision of production services based on “One Stop Shop” principle that covers location scouting, scheduling, and assistance in procurement of permits, coordination & communication with various stakeholders.

Film industry promotion project was jointly designed by the Ministry of Economy and Sustainable development of Georgia and Ministry of Culture and Monuments protection of Georgia.

HOTEL INCENTIVE SCHEME

From 2016 entrepreneurs operating in the regions of Georgia will have chance to get involved in a new component to the state program “Produce in Georgia”. According to the Government decision and based on the market demand hotel development incentive scheme is introduced to promote the hospitality business across the country, attract an increasing the number of tourists, create jobs and develop each region of Georgia.

In the frames of the hotel development initiative entrepreneurs receive the financial and technical assistance from the state. On top of this government promotes the entrance of international brand hotels via franchise or management contracts and finances the royalties for the hotel owners participating in the new component of “Produce in Georgia”.

From now on any interested entrepreneur based in the regions of Georgia except for Tbilisi and Batumi is able to:

- Develop a hotel
- Expand and refurbish the existing one
- Sign a franchise or management contract with a renowned hotel brand

“PRODUCE IN GEORGIA” PROGRAM WILL SUPPORT BY PROVIDING:

- Interest Rate Co-financing
- Partial collateral guarantee
- Technical Assistance
- Financing franchise Royalty fee

Enterprise Georgia under the ministry of Economy and Sustainable development will provide financial assistance in the following manner:



1 HOTEL DEVELOPMENT/ EXPANSION CO-FINANCING OF LOANS

10% interest Rate Co-financing for the first 2 years.

- Minimum loan volume – GEL 500,000
- Maximum loan volume – GEL 1,000,000
- Partial collateral guarantee for the first 4 years, 50% of the total loan (Upper limited GEL 500,000)

Co-financing of consulting services

2 DEVELOPMENT OF BRANDED HOTELS

Co-financing of Franchise/Management Contract

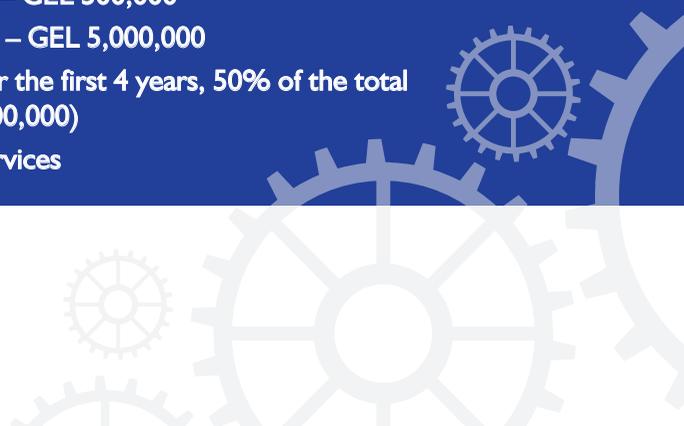
- Co-financing of Franchising/Management agreements for the first 2 years (up to GEL 300,000 annually)
- Co-financing of consulting services

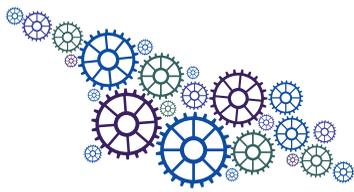


3 BRANDED HOTEL DEVELOPMENT

Co-financing of Loans and Franchise/Management Contract

- Co-financing of Franchising/Management agreements for the first 2 years (up to GEL 300,000 annually)
- 10% interest Rate Co-financing for the first 2 years.
 - Minimum loan volume – GEL 500,000
 - Maximum loan volume – GEL 5,000,000
- Partial collateral guarantee for the first 4 years, 50% of the total loan (Upper limited GEL 2,500,000)
- Co-financing of consulting services





PRODUCE IN GEORGIA

GOVERNMENT PROGRAM

“PRODUCE IN GEORGIA”

1 YEAR IN NUMBERS



MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA



The program was initiated by the Prime Minister of Georgia Irakli Garibashvili and is directed towards the entrepreneurship development through establishing new enterprises, advancing existing ones and promoting entrepreneurial culture in the country.

Additionally, the program focuses on increasing the competitiveness of the private sector and enhancing country's export potential.

In June 2014 the Ministry of Economy and Sustainable Development of Georgia, together with the Ministry of Agriculture, launched a new government program “Produce in Georgia”.

Produce in Georgia incorporates 3 components:

- Access to Finance
- Access to Infrastructure
- Consulting Services

The Program is implemented by:



ENTERPRISE GEORGIA



Agricultural Projects Management Agency



NATIONAL AGENCY OF STATE PROPERTY

133 PROJECTS

TOTAL INVESTMENTS: ₾ 355 600 000

NEW JOBS: 6 759



ENTERPRISE GEORGIA

69 PROJECTS

TOTAL INVESTMENTS:
~ ₾ 172 800 000

NEW JOBS:
2 763

Agricultural Projects Management Agency

10 PROJECTS

TOTAL INVESTMENTS:
~ ₾ 81 600 000

NEW JOBS:
1 153

NATIONAL AGENCY OF STATE PROPERTY

44 PROJECTS

TOTAL INVESTMENTS:
~ ₾ 69 000 000

NEW JOBS:
1 771



10 PROJECTS

TOTAL INVESTMENTS:
~ ₾ 32 300 000

NEW JOBS:
1 072



PROJECTS ACCORDING TO THE REGIONS

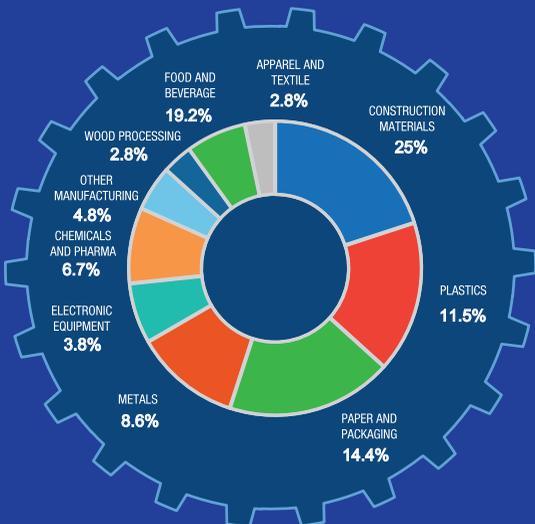
TOTAL INVESTMENTS:

TBILISI	🏠	169.7 MLN
KVEMO KARTLI	🏠	49.9 MLN
SAMEGRELO-ZEMO SVANETI	🏠	55.9 MLN
KAKHETI	🏠	20.5 MLN
MTSKHETA-MTIANETI	🏠	21.9 MLN
ADJARA	🏠	19.3 MLN
GURIA	🏠	4.9 MLN
SHIDA KARTLI	🏠	4.8 MLN
IMERETI	🏠	7.9 MLN



INDUSTRY

NUMBER OF PROJECTS: 104

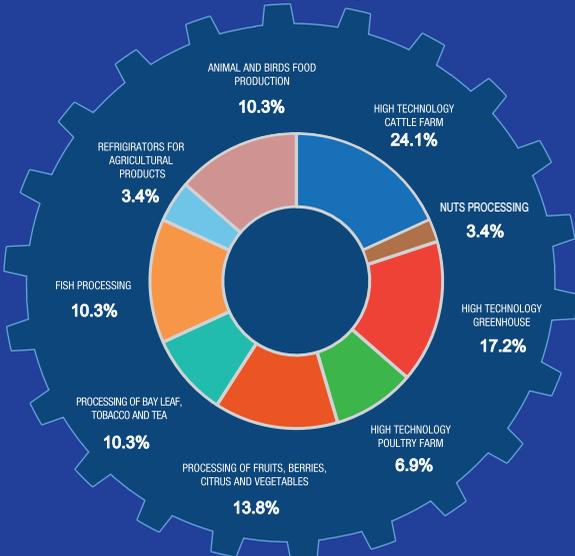


TOTAL INVESTMENTS: 🏠 253.2 MLN

Construction Materials	26.5%
Paper and Packaging	15.9%
Plastics	7.2%
Metals	15%
Chemicals and Pharma	8%
Electric Equipment	3.7%
Other Manufacturing	4.1%
Food and Beverage	16.3%
Wood Processing	1%
Apparel and Textile	2.4%

AGRICULTURE

NUMBER OF PROJECTS: 29



TOTAL INVESTMENTS: 🏠 102.4 MLN

High Technology Greenhouse	25.3%
Animals and Birds Food Production	7.3%
High Technology Cattle Farm	22.1%
Processing of Fruits, Berries, Citrus and Vegetables	8.6%
High Technology Poultry Farm	5.2%
Processing of Bay Leaf, Tobacco and Tea	6.3%
Fish Processing	23.4%
Refrigerators for Agricultural Products	0.7%
Nuts Processing	3.4%

GEOCAP LTD TO LAUNCH PLASTIC PRODUCTION FACTORY

“Geocap” is gradually winning the hearts of the local producers, contracts with such big names as Borjomi, Nabeghlavi, Coca-Cola, Pepsi are under active negotiations

In November 2015 a brand new, high technology company entered Georgian market offering plastic bottles and the plastic caps for the producers of mineral water and carbonated soft drinks.

The company was established under the State Program ‘Produce in Georgia’ with the support of the Ministry of Economy and Sustainable Development of Georgia. It benefited from infrastructural and financial support components of the program and consequently was given a non-agricultural, 15, 0032 sq. meters land plot in Orkhevi for a nominal value of 1 GEL, however the market value of the land was estimated at 437 000 GEL. In return, the company was obliged to invest at least 2 622 000 GEL and create a plastic materials producing factory within two years employing up to 50 people. The financial assistance was rendered by Enterprise Georgia, which co-financed 10% of the bank loan interest rate for the first two years.

“Geocap” successfully followed its business plan, exceeded investment obligations by several times and completely renovated the factory, bought modern equipment and established state-of-art laboratory. The quality control system with the video supervision guarantees high quality of the production. Company purchased the compression molding machinery from the world’s leader “SACMI”. In fact, 80 % of the imported caps at the Georgian market are produced by “SACMI”.

Producers of local carbonated and soft drinks producers are the plastic caps, however since the establishment, “Geocap” is gradually winning the hearts of the local producers, contracts with such big names as Borjomi, Nabeghlavi, Coca-Cola, Pepsi are under active negotiations. According to the company’s management the main competitive advantages of the company are the high quality of production and truly flexible delivery terms that always meet client deadlines. According to

the company’s management the main competitive advantages of the company are the high quality of production and truly flexible delivery terms that always meet client deadlines.

Currently the factory’s maximum capacity corresponds to the local market needs and is 700 tons per year, which is to be increased in the nearest future, since export is part of the long-term strategy and the company already started exploring the neighboring markets.

“Geocap” also stands out by its staff development policy. Employees working on the machines regularly get special trainings and an online learning cause is available.

JULY, 2014



NOVEMBER, 2015



 Total Expected Investments: USD 2 mln

 Jobs Created: 50

 Location: Tbilisi

A NEW, DIVERSE AND INNOVATIVE PHARMACEUTICAL PRODUCTION

Georgian pharmaceutical market celebrated the entrance of an innovative and multi profile pharmaceutical company “Ynnovas”

By producing active ingredients for medications locally the company will be able to offer competitive prices on certain medicines, hence easing access to medications.

The company was established in the frames of the State Program “Produce in Georgia” with the financial assistance from Enterprise Georgia under the Ministry of Economy and Sustainable Development of Georgia. “Ynnovas” invested USD 4 mln for the construction and the equipment of the modern facility which will employ 50 people at the beginning and increase the figure to 100 in the nearest future. Since some activities of “Ynnovas” are connected with gathering raw materials, number of seasonally employed people will increase to 2000.

At this stage, company is preparing for the GMP/HASP/ISO certification.

The new pharmaceutical company has an ambition to completely utilize the high healing potential of the Georgian flora. The complete manufacturing cycle will be completed in the new facility starting from obtaining raw materials to processing and putting a finished

product on the local and international shelves. For the initial stage, processing up to 40 type of plants along with 60 active substances will be possible.

“Ynnovas” is outstanding in many ways, but most importantly it will be the first contractive producer in the region which will produce active pharmaceutical ingredients in accordance with the international standards and will offer natural extracts made from the medicinal herbs.

Company will help families industrialize the recipes they have kept

from ancestors and have additional income.

The innovative approach of the company also resulted in a pilot project in cooperation with the Lithuanian specialists. The main idea is the purification of the waste water applying a 100% biological method.

Last but not least “Ynnovas” is known for the responsible approach towards the company’s CSR. It was one of the first companies to express solidarity to the Georgian farmers and during the grape harvest purchased 50 tons of grapes.

Another example of the Company’s high social responsibility is the signing of the MoU with Tbilisi State Medical University that enables students to have an internship at “Ynnovas”, which is equipped in compliance with international standards and regularly invites leading European specialists in the field of pharmacognosy.



JULY, 2014



NOVEMBER, 2015



 Total Expected Investments: USD 4 mln  Jobs Created: 100  Location: Tbilisi

CEZANNE TO BECOME THE PACKAGING SUPPLIER FOR FAST FOOD COMPANIES IN GEORGIA

Cezanne is focused on introducing modern technologies and standards, and has put in place ISO 9001: 2008 quality management system

2015 was a very successful year for Cezanne Ltd. since it realised its ambitious expansion project in the frames of the State Program “Produce in Georgia”, with the assistance of Enterprise Georgia, under the Ministry of Economy and Sustainable Development of Georgia. Enterprise Georgia will be co-financing the company’s loan by 10% for the first two years. In total Cezanne will be investing 1 300 300 USD in order to upgrade its polygraphic factory.

Company is located in Tbilisi and employs 95 people.

Cezanne, being one of the leading typographical factories in the Caucasus region is equipped with the latest machinery and aims to create high quality products.

As a result of the expansion Cezanne started the production of Kraft paper bags, paper cups, plastic lids and other materials used in the fast food industry. Until then such full range of products has not been produced in Georgia and all local companies were dependent on imports.

According to Tamaz Chikhradze, the director of Cezanne, company installed eight processing machines for different sized paper cups, printing and box making machinery, etc. Special trainings were organized for staff members, to

become more efficient and productive. With years of experience in polygraphy company is a market leader and has the ambition to obtain the same status when it comes to paper bag and cup production

Thanks to complex services such as printing and producing paper cups and bags, Cezanne is seen to be the local market leader, however faces fierce competition from Turkey and Ukraine in terms of imported readymade materials, therefore Cezanne is working with the local food companies to match their needs.

Company is already meeting the needs of the local clients and produces paper cups and bags for fast food chains like McDonalds, KFC, Dunkin Donuts, Entrée and many more are lining up. Additionally Cezanne actively works on entering the market for paper bags. “We can make 4000 cups an hour. McDonalds, for example, needs over 10 million

cups a year. To date our main clients have been importing their cups from Turkey and Ukraine, therefore, we do hope that very soon Cezanne will be able to meet the local market demand and offer products at really competitive prices.”

- Says the CEO of the company, Tamaz Chikhradze.

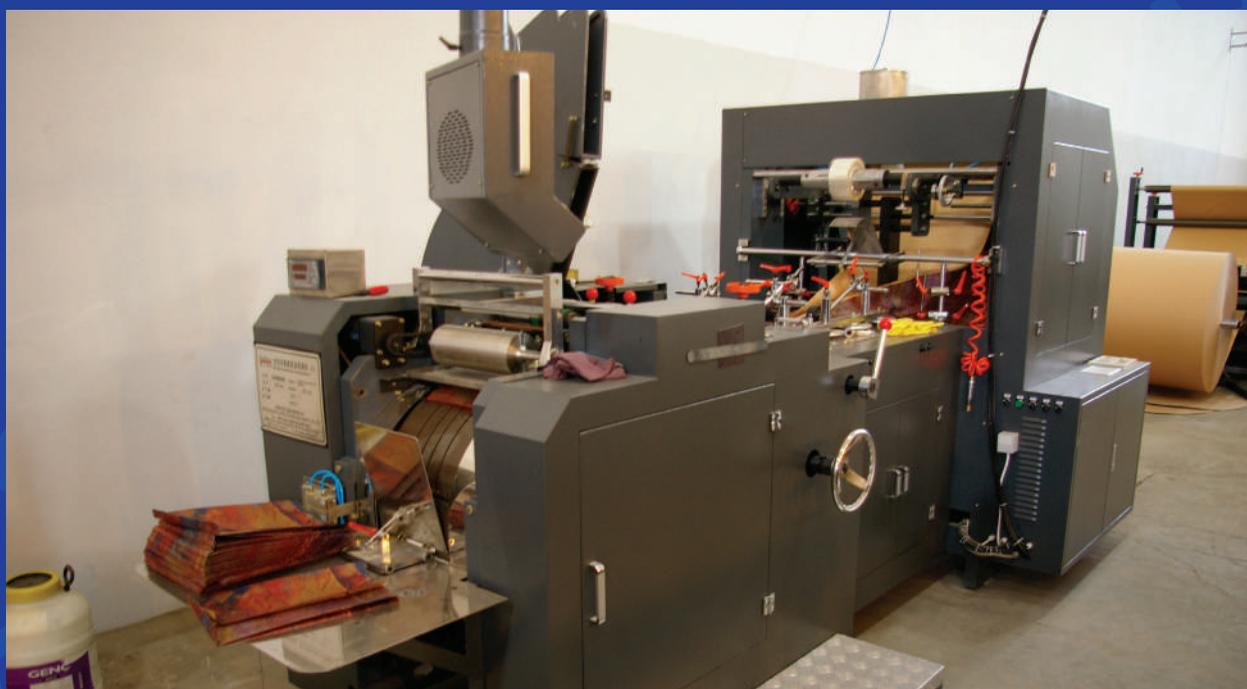
Additionally, a new law will come into force from January 2016, according to which all kinds of products made in Georgia should have a Georgian inscription. This will place Georgian companies in fair competition with the Turkish producers, since their products don’t have Georgian inscription at present and placing it would be an extra cost.

Cezanne is actively preparing to enter the foreign markets: a comprehensive market research is being carried out to determine the target countries. Also, initial steps have been taken to export to neighbouring states.





NOVEMBER, 2015



 Total Expected Investments: USD 1,300,300  Jobs Created: 90  Location: Tbilisi

SUPPORTING MICRO AND SMALL ENTERPRISE DEVELOPMENT

From March 2015 Enterprise Georgia under the Ministry of Economy and Sustainable Development of Georgia launched a special program for supporting Micro and Small enterprises in the regions of Georgia. The project is implemented in the frames of the State Program “Produce in Georgia”.

THE MAIN OBJECTIVES OF THE PROGRAM:

- Establishment or the expansion of regional enterprises
- Diversification of regional products and services
- Promoting modern business practices
- Increasing income of regional population

In order to advance Technical Assistance component Enterprise Georgia signed MoU with “Tegeta Motors” company and “Mgzavrebi” hotel. Both companies will share experience and knowledge with the project beneficiaries. Consequently Enterprise Georgia aims to increase the efficiency of the people enrolled in the small and micro enterprise support project, raise their qualifications and advance relevant skills.



GOVERNMENT CO-FINANCING SCHEME:

- one entrepreneur - up to 5,000 GEL government financing
beneficiary investment obligation minimum 20%
- two entrepreneurs - up to 10 000 GEL
beneficiary investment obligation minimum 20%
- Three entrepreneurs - up to 15 000 GEL
beneficiary investment obligation minimum 20%



TECHNICAL ASSISTANCE:

- Individual and group consultations
- Business plan writing training
- Business administration training

BEFORE RECEIVING GOVERNMENT CO-FINANCING, BENEFICIARIES WENT THROUGH A THREE STAGE CONTEST:

Stage I - Business Idea Contest, aimed at identifying the best business undertakings via submission of the online application form

7846 business ideas of which 12711 were registered through an online application form at the initial stage. The program gives regional entrepreneurs an opportunity to unite their efforts, therefore maximum 3 people are allowed to submit a common business plan.

Stage II - Business Plan Writing Training. Authors of the best business ideas are given an opportunity to take special trainings in order to draft a professional business plan

2835 business plans were selected for the training stage and 3118 people were trained.

Stage III - Business Plan Contest and government co-financing

By the end of 2015 Enterprise Georgia signed contracts for 999 approved business plans, which means that 1550 entrepreneurs will receive financing. The total sum of the government co-financing equals 7,174,813 GEL. up to 3000 jobs are expected to be created in the frames of the already financed projects. Women entrepreneurs have been very active since their share in the financed projects is over 36%.

Beneficiaries share the risks of the project via 20% cash co-financing and only after spending their money government funding will be transferred to the respective account.

Since Georgia is an agricultural country, traditionally 40% of the approved business ideas cover agricultural activities, however there are a number of service

oriented business plans like developing hotel infrastructure, tourism related services, beauty salons, car service. Also business plans related to metal, wood and plastic processing were registered.



BUSINESS PLANS SELECTED 2 835



PEOPLE TRAINED 3 118



ENTREPRENEURS FINANCED 1 550 (STAGE I)
share of women entrepreneurs financed **36%**



JOBS CREATED up to 3 000

IN TERMS OF THE INNOVATIVE APPROACH THE FOLLOWING PROJECTS SHOULD BE NOTED:



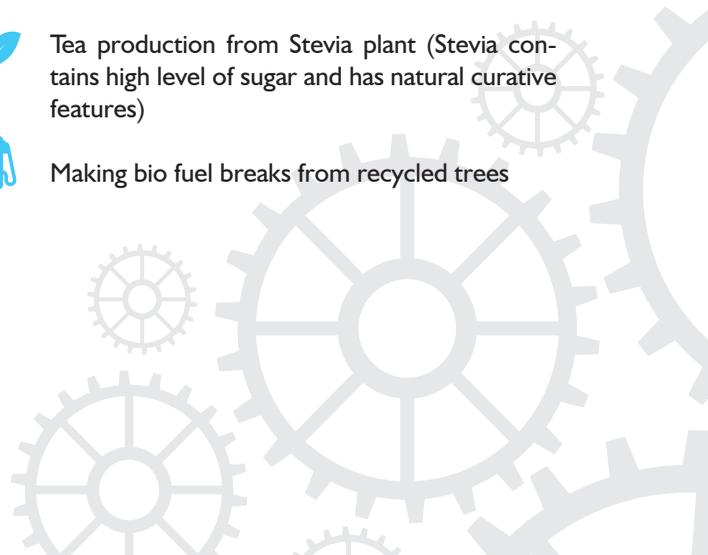
Waste recycling and production of polypropylene raw materials



Tea production from Stevia plant (Stevia contains high level of sugar and has natural curative features)



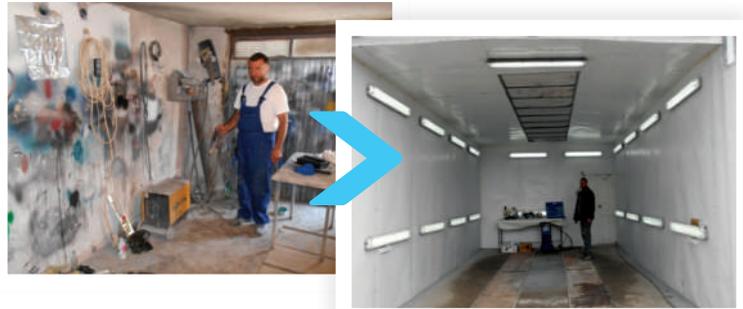
Making bio fuel breaks from recycled trees



AUTO TECH SHOP

📍 Akhaltsikhe, Samtskhe-Javakheti

In the frames of the program Support to Micro and Small Enterprises, Mikheil Minasyan equipped his auto tech facility (located in Samtskhe-Javakheti, Akhaltsikhe) with modern machinery for painting and drying cars. The upgrade resulted in the improved quality of services and now Mr Minasyan is able to accommodate not just the demand from Akhaltsikhe but from other municipalities as well.



FAST FOOD RESTAURANT

📍 Khoni, Imereti

Nana Chkheidze has always wanted to run a fast food restaurant and the micro enterprise support project made it possible for her. With her own savings she renovated the space and purchased necessary ingredients while with the government grant money she bought all the essential equipment (fridge, microwave.. etc).

The restaurant is located on the road to the very popular nearby resort and is surrounded by schools, kindergartens and offices.

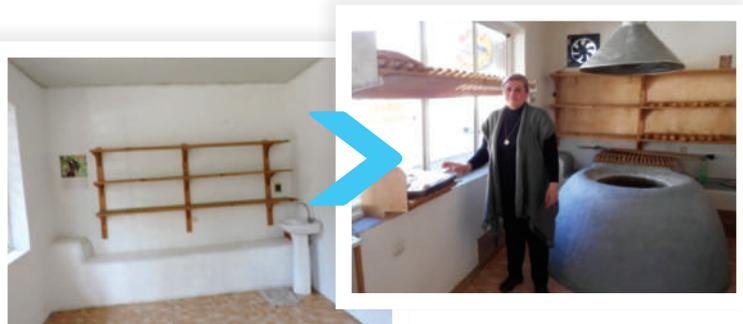


BAKERY

📍 Bolnisi, Kvemo Kartli

Nona Bjalava is one more example of an entrepreneur who managed to start up her own business in the frames of the project Support to Micro and Small Enterprises. With the money she received from the Government she managed to renovate the space located in Bolnisi and purchase all the equipment necessary to run a successful bakery.

Judging on the sales numbers the business is really competitive and Ms Bjalava is optimistic about the future of her bakery.



COSMETOLOGY SALON

📍 Akhaltsikhe, Samtskhe-Javakheti

With the support from the project Natalia Sandadze-Gabunia managed to upgrade her cosmetology salon with the modern furniture and equipment. The total investment value of the project is only 3 455 GEL and has resulted in the improved working conditions of Ms Sandadze – Gabunia and increased number and quality of services she can offer to her clientele.



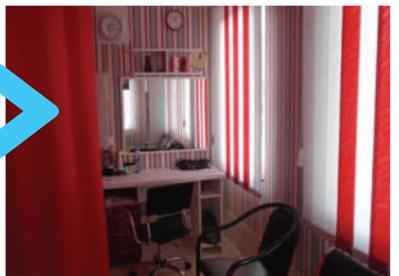
BEAUTY PARLOR

📍 Samtredia, Imereti

The launch of the project in Imereti region gave Khatuna Gogishvili incentive to open a beauty parlor in Samtredia.

With both her savings and the funding she received in the frames of the program Support to Micro and Small Enterprises she renovated the facility and bought inventory for the parlor.

The modern salon located in the center of the city is already functioning and 2 hairstylists are employed there.

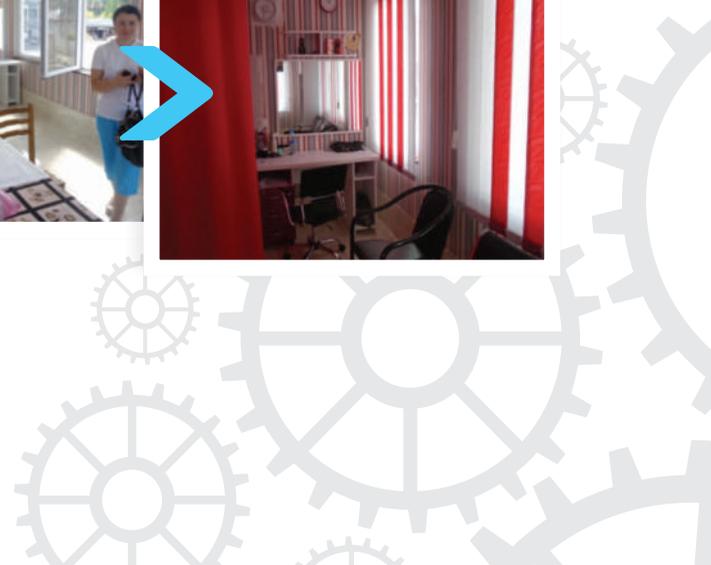


GREENHOUSE

📍 Sachkhere, Imereti

Before the micro enterprise support program was launched in the Sachkhere region it was just a dream of 3 friends who owned a small piece of land to build a green house. However after successfully passing all the selection stages of the program and receiving the funding and necessary knowledge on how to organize and run a business it became possible to start building not just a greenhouse but also a warehouse to store the harvest.

Nowadays the micro business is developing step by step and will be able to offer its products to the customers.



EXPORT SUPPORT AND SUCCESS IN 2015

Throughout 2015 Enterprise Georgia, under the Ministry of Economy and Sustainable Development of Georgia, created a number of export opportunities for various Georgian companies and the efforts turned out to be highly successful.

With the direct support from Enterprise Georgia 113 Georgian participants took part in seven international trade fairs and eight trade missions on the following markets: “Gulf Food 2015“ - UAE, “Taste Georgia”

- London, UK, “Sial China 2015” - China, “CPHI Worldwide 2015” - Madrid, Spain, “Discover Georgia” - NYC, USA, “Riga Food 2015” - Riga, Latvia, “Polagra Food 2015” - Poznan, Poland, “Anuga 2015” - Cologne, Germany, “Summer Fancy Food Show 2015” - NYC, USA, etc. Therefore the total value of contracts signed by Georgian export oriented companies in frames of the above mentioned international fairs exceeded 40 million GEL.



Sial China 2015
- China



CPHI Worldwide
2015
- Madrid, Spain



Taste Georgia
- London, UK



Gulf Food 2015
- UAE



Anuga 2015
- Cologne,
Germany



Summer Fancy
Food Show 2015
- NYC, USA



Riga Food 2015
- Riga, Latvia



Polagra Food 2015
- Poznan, Poland

Enterprise Georgia supported the following export oriented companies in the respective sectors:

▶ FOOD & BEVERAGES:

AromaProduct, Aqua Geo, Marneuli Food Factory, Helathy Water, Kula, Campa, Nutex, Nutsge, Aer Company, Euronuts, Anka Fair Trade, Barambo, Georgian Beer Company, Vaziani, Wineman, Geoplant, Georgian Products Renaissance, Sairme, Mineral Waters, Usakhelauri Vineyards, Schuchmann Wines Georgia, Badagoni, Futkara, Fruitilia, BPC, Shumi, Saamo, GNP, Dabi, JSC Lomisi

▶ PHARMACEUTICALS:

Georgian Herbs, Aversi, GMP, Ynnovas, Abi Pharm

▶ APPAREL:

Vogg, Elselema, Iberia Uniforms, Unistyle, Gepherrini

In order to summarize its activities and plans for the next year Enterprise Georgia conducted a working meeting with exporters in December 2015. The main goal was to get feedback from Georgian companies, see what can be improved and take into consideration the needs of companies when planning international export support events in 2016.

During the whole year Enterprise Georgia has made a great deal of efforts to ensure the streamlined promotion of Georgian products internationally.

Planning the participation of Georgian exporters at international events is a time consuming process. The preparation of the trade fairs continues for about 8-10 months and includes stand design, construction and arranging B2B meetings of participant companies with potential buyers. The selection process of targeted trade fairs is completely synchronized with the needs of Georgian exporters and on average 6 companies participate on each show.

Trade fairs and missions have been just a part of those various activities done in the frames of the export promotion program. Significant steps were taken in terms of export education, export consulting and marketing, online promotion of Georgian products and the integration of export consultation into the newly launched Service Centre.

Enterprise Georgia ensures that via involvement in international fairs companies are given the opportunity to introduce products to targeted audience, increase awareness, and establish new contacts, strengthen existing cooperation, and most importantly observe competitor activities and see new trends on the market. In addition by organizing industry oriented trade missions Enterprise Georgia helps local companies develop relations with relevant buyers, traders and retail representatives.

RESULTS



Number of participants in international export events

113

(number of Unique companies – 68)



Approximate value of international deals through matchmaking events

> 40 mln GEL



Number of new contacts obtained at matchmaking events

> 600



Export companies using Enterprise Georgia export advisory services

> 150

EXPORT EDUCATION CERTIFIED EXPORT MANAGER COURSE

In order to enhance the skills and raise the knowledge of the export specialists employed at local companies, Enterprise Georgia launched a special, one month crash course in cooperation with the Caucasus University.

The course covered all essential topics for the successful planning of export activities and included sessions on export terminology, market research, marketing and labeling, participation at international trade fairs, trade in frames of DCFTA, export logistics, quality infrastructure, business communications etc.

During March, April, 2015, 43 export managers from 26 export oriented companies had an opportunity to participate in the export manager's course. The format enabled them interact with lecturers, share experience and get concrete advice. Participating 43 export manager received DCFTA specific training and information. By offering this course Enterprise Georgia hopes to significantly advance the qualifications of export managers and improve their international sales skills, which itself will increase the company exports.



• 43 Export Managers participated in export education program

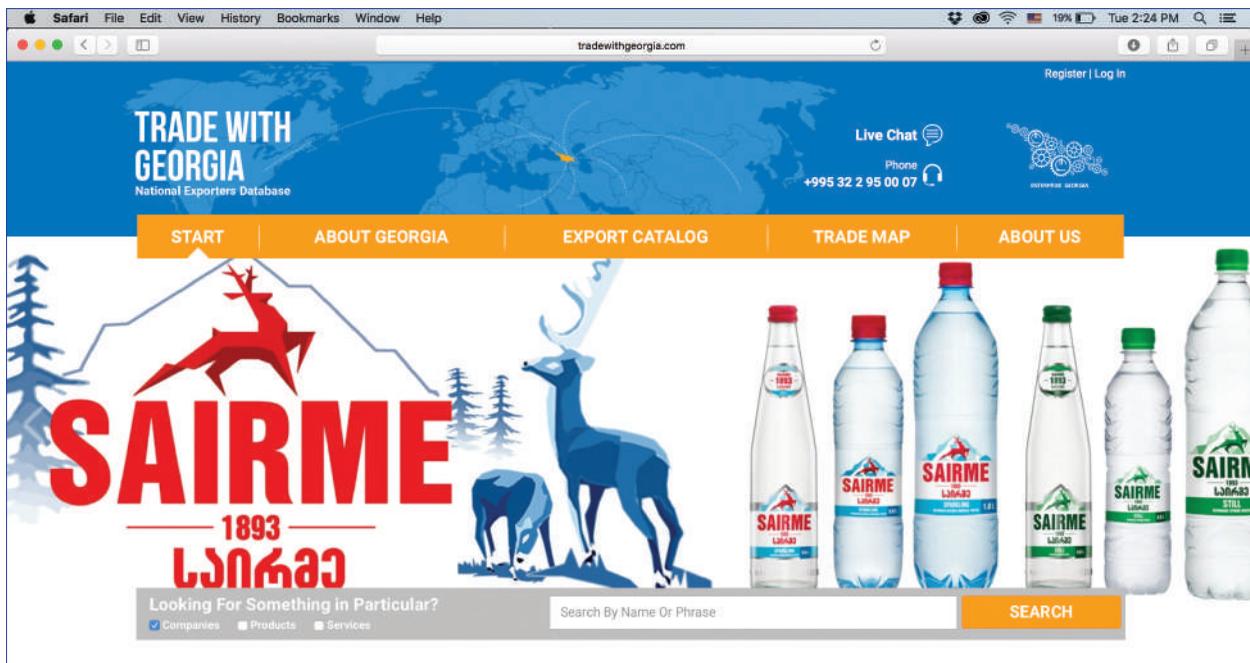


Marketing and Consulting Export catalogue 2015

With the goal of collecting promising export products in one document and providing essential information for interested buyers, Enterprise Georgia published the Export Catalogue which united products of 200 companies operating in food and beverage, pharmaceuticals and apparel industries.

Copies of the Catalogue were distributed to the potential buyers at up to 20 local and international trade events, catalogue was also sent to the foreign diplomatic missions to Georgia and Georgian diplomatic missions around the world

www.tradewithgeorgia.com



TRADEWITHGEORGIA ENABLES USERS TO:

Enterprise Georgia is starting 2016 with a new, comprehensive and sophisticated trade web portal which displays to interested parties a wide range of Georgian companies products & services.

The new trade web portal makes quick and easy access to information about Georgian export oriented companies operating in different industries, the calendar of international trade events and trade analysis of Georgia,

- Makes quick and easy access to different market reports, trade maps and trade statistics
- Directly contact export companies
- Receive trade consultation through hot line
- Find potential business partners
- Conduct comprehensive searches across the entire community
- Receive information on Export Procedures, Tariffs and Certificates
- Receive information on Import Regulations on Targeted Markets
- Receive information on international trade events and education programs organized by Enterprise Georgia,

GEORGIAN HAZELNUTS WINNING HEARTS OF CUSTOMERS

GPR - Georgian Products Renaissance was founded in Khobi, Samegrelo region and is the first hazelnut processing factory in the district, with modern infrastructure and equipment. Currently it is one of the leading producers and suppliers of natural and semi-finished hazelnut kernels in Georgia and boasts to have an exceptional quality of its products. The factory occupies the total area of 10 000 Square Meters and employs 90 local people on a regular basis.

With the support of Enterprise Georgia, under the Ministry of Economy and Sustainable Development of Georgia, GPR regularly participates in international trade fairs and promotes its products globally. Company managed to establish relations with chocolate producers and confectionaries across Europe and looks forward to concrete orders.

Focused on the exports of the premium quality hazelnuts, GPR promotes Georgian production globally and

raises awareness on the hazelnuts grown in Georgia. At this stage the hazelnut processing factory exports to a number of markets like Germany, Italy, France, Netherlands, and Bulgaria. Other countries on the export list are Jordan, Saudi Arabia, Israel, China, USA, Canada and Brazil.

GPR exports 400-450 tons of hazelnuts annually. As for the future goals the company plans to significantly increase production capacity and respond to market demand from the European states.

Since total quality management and food safety are a matter of the highest priority for GPR, all production processes and products are certified by the ISO 22000: 2005 (Food Safety Management System Standard) and HACCP certification.

In the frames of its export support program Enterprise Georgia supports the local companies reach out to new markets, promote the local production, establish business contacts and expand their activities.

Georgian Product Renaissance



G | P | R



AROMAPRODUCT LTD

Throughout 2015 Enterprise Georgia cooperated with a number of Georgian companies to help them enter new markets, showcase production at international events and establish key contacts with the buyers.

Aromaproduct company, operating in the field of processed fruits and vegetables is one of the successful beneficiaries of Enterprise Georgia export support programe and in fact is 100% export oriented. The company continues expanding its worldwide presence and is regularly targeting new markets.

Founded in 1985 Aromaproduct has more than two decades of experience in the production of high quality natural juices, jams, frozen fruits and berries, dried spices, seasonings, sauces, dried fruits as well as edible nuts. Since 1994 the company underwent extensive restructuring and modernization to become an international distributor of high quality natural fruit and vegetable products.

To ensure consistent quality, control costs, and avoid potential shortages of imports, Aromaproduct cultivates its own fruits and berries. Georgia's unique geography and optimal climate has enabled company to maximize the output from each square meter of plantation.

Aromaproduct boasts to have a complete value chain of the production, since it controls all aspects of the product life cycle. The company is growing raw materials on plantations covering 1,000 hectares, out of which 300 hectares are certified by IMO under organic farming operations. Later the production process is completed at the factory and the finished products are sold through sales networks in 30 different countries.

As for the future plans, within the next 2 years Aromaproduct expects harvesting 6,000 metric tons of fruit and berries annually on its own plantations. This opens a new opportunity for increasing the company output.

To ensure customer satisfaction and reliability of the products, Aromaproduct has put in place the international quality infrastructure. The Company is certified by International Organization for Standardization and has ISO 22000:5000 certificate.



GEORGIAN COMPANY “ZEARIS” AMONG FINALISTS OF WORLD BEVERAGE INNOVATION AWARDS 2015

Georgian spirits producer company “Zearis” recently celebrated significant international recognition at the World Beverage Innovation Awards 2015, held in Germany. The participation of the company was made possible thanks to the Enterprise Georgia initiative of bringing several Georgian producers to the international contest.

The company was selected among three finalists in the category - “Best Packaging Design or Label” and surprised the jury with its handmade glassware. The “Zearis’ Chacha” (alcoholic beverage) vessel features inner glassware in the form of grapes filled with red wine, ensuring the product packaging is outstanding and memorable. It is important that “Zearis” was allowed to include a brief note of this international achievement on its packaging, so that consumers are also informed.

In the scope of the international contest, 360 nominees from 40 countries in 26 various categories competed for the Award. With the efforts of Enterprise Georgia, Georgia’s involvement at the World Beverage Innovation Awards 2015 was unprecedented. Enterprise

Georgia presented five companies in different categories, in particular, “Khiliani” for the “Best Sparkling Beverage”; “Bioproduct” for the “Best Corporate Social Responsibility Initiative”; “Zearis” and Helaty Water INC for the “Best Packaging Design or Label” and “Campa” for the “Best juice or juice drink”.

LTD “Zearis” was established in 2012 and nowadays the production capacity of the company is 60 000 bottles per year with the total investments amounting to 1 mln GEL.

As for the future plans the company intends to put more efforts in penetrating foreign markets. Nowadays “Zearis” products are sold only in Georgia, however the company is actively negotiating with Post Soviet countries, especially Kazakhstan and Belorussia, to enter their markets. Besides the above mentioned, “Zearis” plans to increase its product range and establish glass manufacturing plant both for its own use and other companies.

According to the management of the company, Enterprise Georgia played a crucial role in its success at the contest, besides thanks to government support exporters have a chance to better meet their ambitious plans.



სადასრულოდ ნიჭი უმჯობესად გამოიხატება
 მკაცრად კონტროლირებულ პროდუქტში და სუბტილურად
 ბუნებრივ მწიბვრებში გახსნილ მკურნალებს და თავდას
 აწინააღმდეგებს. უფრო სურსათის სიმკაცრის სურსათის
 კონტროლის გამოცხადება და მკაცრად კონტროლირება
 და სუბტილურად გახსნილ მკურნალებს და სუბტილურად
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 ბუნებრივად გახსნილ მკურნალებს და სუბტილურად

Двуэтапное вино Тиражная бездрожжевая вина с
 выраженным ароматом ароматных фруктов, который дополнен
 легкой приятной остротой меда. При контакте с воздухом вино
 приобретает приятную остроту и ароматизацию, которая
 придает вино цвета. Быстро впитывается и легко усваивается,
 придает приятный аромат и приятный привкус. Вино
 является прекрасным дополнением к различным блюдам.

Tasting note: Clear, colorless Chacha with pronounced floral and
 perfumed bouquet, complemented of nutty and light honey top notes.
 A slight astringency goes with air contact while increasing spice and
 white flower. The texture is creamy and soft, mouth feel with fine
 notes and a nuttiness. Very good length which remains integrated
 all the pronounced flavors on the palate.

სადასრულოდ ნიჭი უმჯობესად გამოიხატება
 მკაცრად კონტროლირებულ პროდუქტში და სუბტილურად
 ბუნებრივად გახსნილ მკურნალებს და სუბტილურად
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 ბუნებრივად გახსნილ მკურნალებს და სუბტილურად

Двуэтапное традиционное вино, которое сохраняет
 аромат и вкус, а также имеет приятную остроту.
 Спирит: 45% об. (90 proof)
 Объем: 750 мл
 Производство: Грузия, Тбилиси
 Дата: 04/01/15
 Страна: 04/01/15

Bottle Size: 750ml, 12/12 pack
 Age: 1 year old White wine
 Grape variety: Saperavi
 Bottling strength: 45% Alc
 By Volume: 750 ml
 Produced: Georgia, Tbilisi
 Length: 04/01/15
 Expiry: 04/01/15



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 Tel: +995 531 99 00 79
 email: info@zearis.ge
 www.zearis.ge
 Produced in Georgia

ENTERPRISE GEORGIA SERVICE CENTER

Enterprise Georgia has recently opened doors of its multifunctional business service centre. The welcoming atmosphere and modern design ensure that each visitor enjoys coming to the Service Centre and benefits from the in house library, meeting space and receives consultation from the professionals. Moreover Enterprise Georgia's service center hosts lectures, seminars and workshops for both entrepreneurs and school/university students. Over 600 SMEs received DFCTA related advisory services via the service center



Currently the service center provides the following information and services:

- Information about the SME support programs implemented by the Government of Georgia, including “Produce in Georgia” initiative
- Matchmaking via Enterprise Georgia database
- Support to SME internalization

Entrepreneurs are also able to use the infrastructure available at the service centre:

- Free access to online and printed resources
- Free library, which contains different types of business literature
- Meeting/conference space (including digital screen for presentations)
- Individual Consultations



SERVICE CENTER PROVIDES SPECIAL SERVICES FOR EXPORT ORIENTED COMPANIES:

- ▼ Export market reports and export/import statistics about domestic and international markets
 - ▶ Service center provides market reports including different export markets and products developed by agency professional consultants, as well as trade export/import data's
- ▼ International buyer information (importers, retailers, distributors)
 - ▶ Service center will provide consultations how to obtain list of international buyers on specific products and markets
- ▶ List of upcoming and past trade events
- ▼ Export readiness audit
 - ▶ Georgian export oriented companies are evaluated based on export readiness test.
- ▶ HS / NACE codes classification (product classification identification)
- ▶ Information about certificates needed for exporting products, information regarding import procedures on international markets
- ▶ Information on export financing
- ▶ List of useful websites
- ▼ Matchmaking
 - ▶ Service center develops and upgrades the list of stakeholders and trade companies on a monthly basis. It assists all export oriented companies in establishing contacts with trade organizations and partners.
- ▶ Assistance with the registration on trade portal www.tradewithgeorgia.com

ENTERPRISE GEORGIA STRIVING FOR EXCELLENCE

Enterprise Georgia made another step towards enhancing management and corporate culture with the Agency joining the list of world known companies such as Robert Bosch, BMW, VW, Xerox, Ricoh, Grundfos, and Philips which boast to have a European Foundation for Quality Management (EFQM) degree.

The Agency, with the help of German Corporation for International Cooperation (GIZ), invited a German expert who helped to train staff members on the necessary mechanisms and procedures for granting the EFQM degree, at the same time, Enterprise Georgia elaborated development plans and successfully followed them.

For Enterprise Georgia international recognition like EFQM is crucial, since the Agency focuses on establishing effective cooperation with private and public sector representatives within the country and abroad. EFQM ensures that the high standard management practices

are rooted in Enterprise Georgia operations and it also enhances the Agency's image in the international arena.

The EFQM Excellence Model has been used to drive sustainable organizational development for over 20 years, based on observation and learning from leading organizations on what has made them successful and what they need to do to remain competitive in future.

The organization, European Foundation for Quality Management (EFQM), has operated on the European market since October 1989 when the CEO/Presidents of 67 European companies subscribed to the Policy Document and declared their commitment to achieving the EFQM mission and vision. The Foundation set up a team of experts, from industry and academia, to develop the EFQM Excellence Model, a holistic framework that can be applied to any organization, regardless of size or sector. This was first used to support the assessment of organizations in the European Quality Award in 1992.

ENTERPRISE GEORGIA - A NEW MEMBER TO EEN



Business Support on Your Doorstep

Enterprise Georgia and Georgia's Innovation and Technology Agency (GITA) have some good news - the agencies have formed a consortium and officially became members of the Enterprise Europe Network (EEN).

With over 600 partner organizations located in more than 50 countries, EEN is the largest network of contact points providing information and support for SMEs in the fields of international business cooperation, innovation, knowledge and technology transfer.

Enterprise Georgia, the leader of the consortium, is responsible for management of the Network in Georgia and business matching activities, while GITA will manage the innovation and technology transfer activities.

On December 14th 2015 the launch event was organized to introduce the services. In frames of the EEN

seminar in Georgia, up to 110 SMEs were informed regarding the DCFTA benefits and procedures.

The Enterprise Europe Network and their Business Cooperation Centres will serve as a gateway to:

- Access a vibrant market with over 500 million consumers;
- Exchange technologies required to make products or production facilities more competitive on international markets
- Identify suitable European business partners
- Find research partners to participate in Europe's research framework programs
- Channel investment ventures to Europe better and more effectively

The cooperation with EEN definitely responds to the needs of Enterprise Georgia and creates various capabilities to enhance the efficiency of SMEs as well as promote the interoperability with international standards. Furthermore, the cooperation with the world's leading network, offering real added-value to their clients, is one step forward on route to the improvement of the entrepreneurship environment.





Committed to Excellence

1 star

Awarded to:

LEPL
Entrepreneurship
Development Agency

October 2015

This certificate remains valid for 2 years.

A handwritten signature in blue ink, appearing to read "Marc Amblard", with a stylized flourish at the end.

Marc Amblard
CEO, EFQM



Committed to Excellence
1 star - 2015

TBILISI SILK ROAD FORUM AND BENEFITS BROUGHT TO GEORGIA

October has been a really busy month for Tbilisi, since the city became meeting place for over 700 high level government and business leaders from Asia and beyond through 15-16 October, 2015. Institutional and non-institutional investors from over 34 countries gathered in the frames of the Tbilisi Silk Road Forum initiated by the Prime Minister of Georgia and jointly organized by Governments of Georgia and the People's Republic of China in cooperation with the Asian Development Bank. The Ministry of Economy and Sustainable Development of Georgia, Enterprise Georgia and Ministry of Foreign Affairs of Georgia played a crucial part in the planning and implementation of this important conference.

The primary goal of this important forum was to establish a platform for an annual high level meeting of all interested states and international organizations in order to explore opportunities, align visions and enhance partnership. The Forum, in the format of an international conference, attempted to discover new ideas for possible scenarios to enhance cooperation in the fields of transport, energy, infrastructure, trade and people-to-people contacts across the "Silk Road" belt.

In fact the words "Silk Road" are associated with the caravans loaded with silk and spices from China traveling over the deserts, steppes, forests and mountains all the way to Europe and the British Isles. The caravans are gone, but the Silk Road persists. The camel trains have been replaced by modern highways, railways, and pipelines through which modern "silk and spices"- energy, natural resources, manufactured goods, peoples and ideas - travel. Therefore, the mentioned international conference encouraged discussions and dialogue to once again highlight that the new Silk Road can become an inexhaustible resource for economic development and political stability for many countries, spreading its benefits from economic and trade to cultural and social factors.

The scope of the forum was truly impressive with five discussion panels and six topical presentations, all of which contributed to reflecting today's significant issues such as Silk Road revival opportunities and challenges, contributing to the development of the Silk Road, infrastructure projects and initiatives needed to increase trade and transit at the regional level, the role of IFIs in developing the Silk Road, and simplification of market access through free trade regimes.

Tbilisi Silk Road Forum featured addresses by distinguished keynote speakers and panelists providing a unique platform for business executives and policy-makers to share their perspectives on key issues at specialized side events. Business was one of the strong pillars of the partnership within various Silk Road initiatives and central to the event.

To make the forum more interactive and spread word to a global audience, forum organizers invited Sumnima Udas, CNN International's Delhi-based correspondent, to moderate one of the key panels and share her perspectives. At the same time Ms. Udas is responsible for covering key political, economic, social, environmental and general interest stories from the country and presents CNN International's monthly series "The Silk Road: Past, Present, Future". This TV Series have been initiated by the CNN international team in cooperation with the Georgian government. In the frames of the project, Georgia's tourism and investment climate promotion videos are aired on CNN on a weekly basis in association with Enterprise Georgia.

Tbilisi Silk Road Forum hosted some world renowned economists, government and private sector representatives whose non-exhaustive list includes Dr. Hernando de Soto and Simeon Djankov, both world-recognized economists, H.H. Sheikh Nahyan Bin Mubarak Al Nahyan, the Minister of Culture, Youth, and Social



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*Sumnima Udas, CNN International's Delhi-based correspondent;
Dimitry Kumsishvili, Minister of Economy and Sustainable Development of Georgia;
Dr. Hernando de Soto, Economist*



*Dimitry Kumsishvili, Minister of Economy and Sustainable Development of Georgia;
Giorgi Kvirikashvili, Minister of Foreign Affairs of Georgia;
Abdul Sattar Murad, Minister of Economy of the Islamic Republic of Afghanistan*

Development, head of the UAE Delegation, Wencai Zhang, Vice President of the Asian Development Bank (ADB), László Baranyay, and Vice President of the European Investment Bank (EIB).

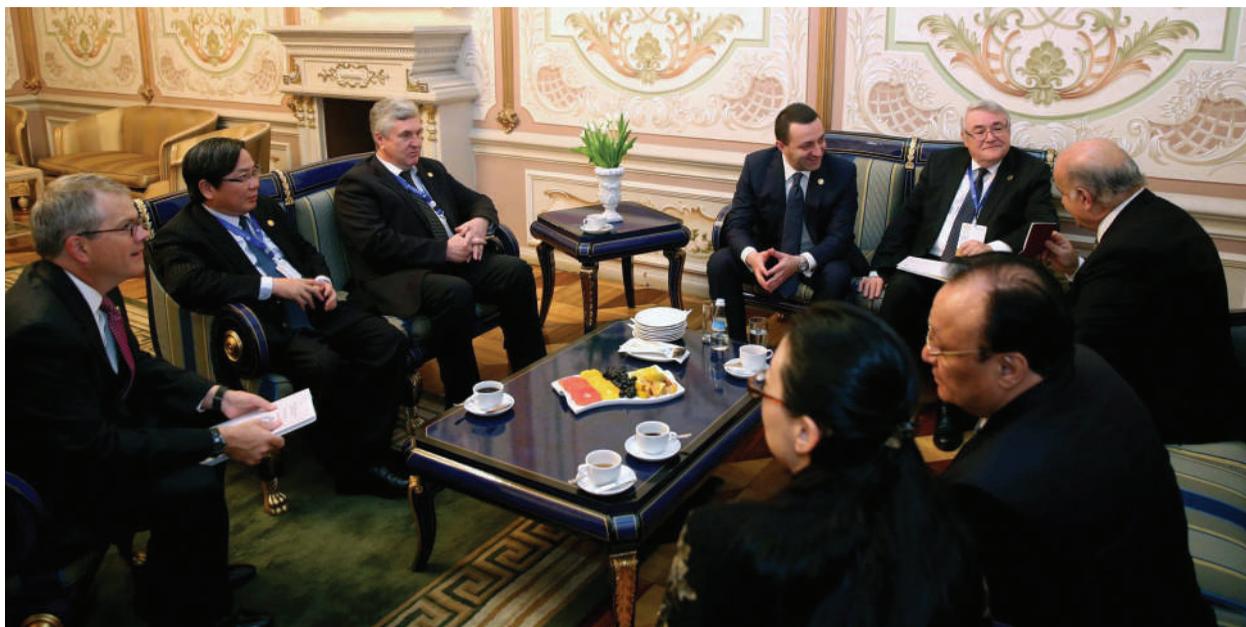
The forum was opened by Dr. Hernando de Soto, a renowned economist who shared his views on how to reestablish the historic Silk Road to reinvigorate trade with Asia. According to the leading economist, “Silk Road” itself is a kind of brand that the country should benefit from and Georgia acted wisely by taking up the initiative of hosting this impressive forum and inviting so many decision-makers from around the world. It gave delegates the chance to see how Georgia has progressed over the years and explore the investment potential in numerous directions. During one of his interactions, Dr. Hernando de Soto also advised the Georgian government to take the example of Singapore, Switzerland and Makau and put in place some reforms or introduce initiatives that will only be associated with Georgia and implemented in this country.

“I was truly impressed by the members of the Georgian government, the team spirit I saw, as well as their motivation and drive for development. Unfortunately, not many governments do realize that globalization is the ultimate way for further development and the

Georgian government is among those few who regard integration into the global economy as the right move,” noted de Soto.

Georgian Prime Minister Irakli Garibashvili made several important points during his address to the international audience and underscored the potential of Georgia as well as the most promising sectors in the country. According to the Prime Minister, by working together, the countries along the Silk Road can transport goods from China to Europe significantly faster and at a fraction of the cost.

“The fact that hundreds of businessmen and women have come to this forum is proof of the Silk Road’s potential. I firmly believe that trade and commerce will drive peaceful cooperation. I know I speak for all governments represented here when I say that our business leaders are among our nation’s best ambassadors. They build the bridges that unite us. The potential of the new Silk Road is not modest, and nor is the scope of this forum. We discuss here regional cooperation across a number of important sectors - transport, infrastructure, energy, hospitality and cross-border trade. Moreover, we benefit from the guidance and input of highly experienced moderators and panelists” noted PM Garibashvili.



“My government’s goal is to build Georgia into a prosperous country that leverages its geographic location as a vital crossroads connecting East and West, and North and South. Georgia is Europe’s natural gateway towards Asia - marking Europe’s eastern-most entry point by both land and sea. I would like to say we are Europe’s “shortcut” to the Silk Road. With our deep ties to the European Union, including our new Association and Free Trade agreements, our historical links throughout the region, and our burgeoning trade with China, India, Japan, and elsewhere in the Middle East and Asia, Georgia is the ideal platform for today’s discussion,” the Prime Minister added while addressing the participants of the Forum.

According to Dimitri Kumsishvili, Minister of Economy and Sustainable Development of Georgia, just prior to the forum Chinese and Georgian governments signed an MoU for the “Silk Road” belt initiative. In the frames of the agreement the People’s Republic of China has allocated 40 billion USD for the implementation of this global project.

“Georgia already is already feeling the first benefits of the Tbilisi Silk Road Forum. The Anaklia Port development project is considered as one of the first and major tasks to be implemented within the New Silk Road initiative. We have already asked potential investors to submit expressions of interest to develop the

mixed-cargo port on a build, operate and transfer basis. The newly-developed port will be located on Georgia’s Black Sea coast near Anaklia in western Georgia, and will be spread over 1,000 hectares and have access to a deep sea canyon,” said Dimitri Kumsishvili, Minister of Economy and Sustainable Development of Georgia. “The Port will be able to receive large vessels of at least 6,500 TEU (twenty-foot equivalent unit). Georgia’s role as a transit destination will drastically increase after the completion of this ambitious project. We plan to build a 600 hectare Free Industrial Zone next to the Anaklia-port, this will of course create additional jobs in the region.

Moreover, investing in developing the Silk Road happens every day. The Chinese side created several instruments to finance infrastructural projects. These instruments are the Silk Road Fund and other important financial institutions, which are dedicated to financing the infrastructural projects. At the same time, Chinese investors expressed interest in building a new toll road through the Rikoti Pass which connects the eastern and western parts of Georgia. The existing tunnel, which was built during the Soviet Union, has been undergoing repair for several years and been closed for some periods, forcing drivers to instead use a winding mountain road.

GEORGIA HOSTED EBRD ANNUAL MEETING AND BUSINESS FORUM 2015

Through 13-15 May 2015, Tbilisi hosted the European Bank for Reconstruction and Development (EBRD) Annual Meeting and Business Forum 2015. Global decision-makers, corporate executives and EBRD staff gathered in Tbilisi to discuss the latest initiatives and developments across the region. The event was the EBRD's 24th Annual Meeting with the main theme of Investing for Change and this was the first time the conference had been held in the Caucasus region. Georgia applied to host the event and was chosen in recognition of the country's progress in the reform process.

During the meeting, the EBRD's Governors and the representatives of its 66 shareholders considered strategy for the EBRD regions for the coming years, guided by three overriding priorities designed to help re-energize transition in EBRD countries. Priorities are as follows:

- Strengthening transition resilience, by supporting policies that improve the investment climate and achieve greater social cohesion and inclusion
- Promoting integration, by supporting investments that strengthen economic, financial and infrastructure links across countries and national borders
- Addressing global and regional challenges such as climate change, resource depletion and food security

Within the framework of the EBRD Annual Meeting and Business Forum 2015, various events and high-level official meetings were conducted which were unambiguously significant for the future development of the country.

One major result of the meetings was the establishment of the Investors Council between the Government of Georgia and EBRD. EBRD president Sir Suma Chakrabarti and the Prime Minister of Georgia Irakli Garibashvili signed a Memorandum of Understanding with the aim of providing a strong platform for dialogue between the private and public sectors. Furthermore, the new institution will bring together representatives of the government, state agencies, business associations, the business ombudsman and international investors.

On May 14, 2015 the EBRD Host Country Investment Outlook Session was organized by the Ministry of Economy and Sustainable Development of Georgia together with Enterprise Georgia. Through the Georgian Economic Outlook Panel and Success Stories from the companies operating on the Georgian market, the investment session gave the participants an opportunity to gain an in-depth insight into the country's investment climate and its position as a regional hub. Georgia's institutional reforms aimed at modernizing the economy and improving the business environment were also covered.



In general, EBRD seeks to develop a sound investment climate based on an effective legal and regulatory framework which promotes corporate governance, including sound management practices, a firm stance against corrupt practices, disclosure of information, and clear and consistent accounting and auditing practices. As for its concrete relations with Georgia, EBRD focuses on supporting the private sector clients directly and via private banks. The main directions include:

- Investing in energy sector projects, which aim to increase production and access export markets
- Investing in infrastructure, logistics, telecommunications and the financial sector to support cross-border economic activities
- Supporting the introduction of modern regulatory frameworks

It should be noted that EBRD has been very active in Georgia – virtually doubling its annual investments in 2014 to over €200 million. The Bank has invested a total of €2.6 billion in the country over the last 22 years, one of the largest investments per capita in any of the countries of its presence.

In frames of the Annual Meeting representatives of several influential companies and organizations visited Tbilisi, among them delegation of MEDEF International, together with other representatives from French companies held meetings with Vice Minister of Economy and Sustainable Development of Georgia, Ketevan Bochorishvili to discuss cooperation with Georgian SMEs.

Furthermore, Tbilisi hosted representatives of Enterprise International (EI) Singapore aiming to strengthen further its cooperation and exchange information for potential collaboration. Based on common values and mission of two agencies Enterprise Georgia is looking forward to establishing a sustainable partnership and bringing benefits in terms of accelerating economic growth.

Another part popular among the EBRD Annual Meeting and Business Forum guests was the trade fair of national products - “Discover Georgia”, organized by Enterprise Georgia.

Georgian companies specializing in mineral water and food as well as souvenirs and handicrafts displayed their products at the exhibition stand, which enabled foreign guests to get even more familiar with Georgian national cultural and historical features.

Overall, the hosting of the EBRD Annual Meeting and Business Forum 2015 was positively evaluated. According to the EBRD group, Tbilisi was a fitting backdrop for the exciting series of events. It should be emphasized that the event is a precondition for the implementation of large-scale investment programs in Georgia and has the utmost importance for the whole country. At the same time, Georgia is likely to become more attractive for foreign investors which will ensure long-term economic development and should open up new vast opportunities to establish close contact with donor organizations.



European Bank
for Reconstruction and Development





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DISCOVER GEORGIA CHELSEA MARKET HOSTS GEORGIA

Through September 25-27, 2015 Enterprise Georgia transformed the Chelsea Market of New York City into a Georgian wonder. The exhibition space in Chelsea Market was divided into different decorated corners that represented the national treasures of Georgia and gave all guests the opportunity to discover Georgia, that small country by the Black Sea with a diverse landscape, ancient monuments, polyphonic music and the homeland of wine.

Arts, crafts, hand-made souvenirs, contemporary artworks, fashion designers' clothes, traditional textile, music and tourism destinations in Georgia- where east meets west with its distinctive culture and cuisine- were presented.

Visitors had a chance to explore the unique Supra (feast) tradition, an important part of Georgian social culture, taste Georgian Food presented by New York's prominent Georgian restaurants and sample the legendary Qvevri wines at New York's most reputable and popular food hub.

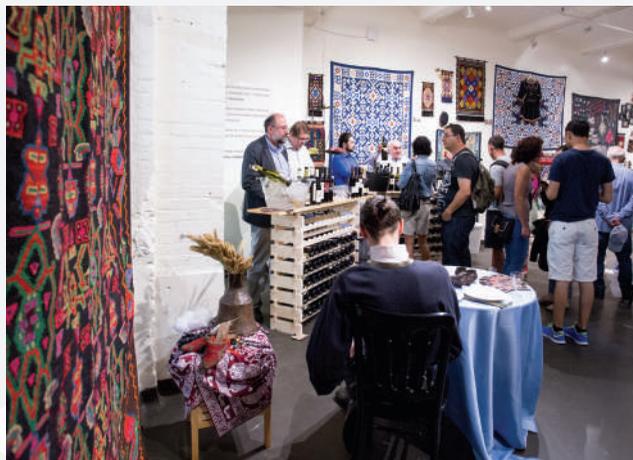
CUISINE CORNER

Being influenced by European and Middle Eastern culinary traditions, as well as by those of the surrounding Western Asia, Georgians did not adopt all the culinary practices that came their way, and today Georgian cuisine remains distinct, particularly in its extensive use of walnuts.

During the event guests tasted traditional food such as: PKHALI - a vegetable puree to which herbs and ground walnuts are added; KHACHAPURI – Oven-baked soft bread filled with mixed cheese. CHURCHKHELA – Traditional sweets made from concentrated fresh grape juice and nuts; made by repeatedly dipping a long string of nuts in Tatar – a mixture of flour, sugar and Badagi (concentrated fresh grape juice).

KHINKALI – Boiled hand rolled dough bundles filled with juicy meat and herbs, large dumplings made with a variety of fillings.

Visitors also had an occasion to sample and purchase organic Georgian juices, jams, sauces and other products made from the highest quality fruits and vegetables, as well as the famous Silk Road Black Tea enriched with aromatic jasmine. Companies exhibited in this corner were Kula, Aromaproduct and Gurieli Tea, whose products are in high demand in many international markets.



WINE CORNER

Georgia is thought to be the birthplace (cradle) of wine. It has an unbroken history of 8000 consecutive vintages of wine, with over 500 endemic varieties of grape of 2000 known in the world. During the event in New York, Georgian wine was presented by Georgian companies (Schuchmann Wines, Vinotera, Teliani Valley, Telavi Wine Cellar, Bagrationi, Pheasant's Tears, Our Wine).

For Georgians, wine evokes both culture and community. The species *Vitis vinifera*, the original wine grape, is native to the Caucasus region, and many linguists consider the Georgian word for wine, *ghvino*, the prototype for such Indo-European variations as *vino*, *vin*, *wine*, and *Wein*. The traditional "Qvevri" winemaking method (fermented wine in a clay vessel buried underground) dates back to the 6th Century B.C and in 2013 was proclaimed as an Intangible Cultural Heritage by UNESCO. Almost everyone who has tasted Georgian wine instantly falls in love with it.

TOURISM CORNER

Georgia, the country of stories, offered visitors a wide range of travel experiences. Georgia is a marvelous canvas for walkers, horse riders, skiers, rafters and paragliders. Equally special are its proud, high-spirited, cultured people: Georgia claims to be the birthplace of wine, and this is a place where guests are considered blessings and hospitality is a way of life. Visitors got the feel of Georgia by watching a Virtual Reality (VR) video. Also, free glasses were available for a mobile version of the video; the owner just needed to go onto Play Store and download the Discover Georgia VR video and application.



SOUVENIR CORNER

Georgian souvenirs represent a country's historical identity and can tell you about the esthetical values of the country.

On display visitors could observe traditional ornaments and style incorporated in the modern design of Georgian tablecloth, scarf, museum

replicas, replicas of Georgian archeological findings, hand-made jewelry, carpets and many other distinctive pieces of artwork that highlight the cultural characteristic roots and features of the country.

FASHION CORNER

The synthesis of good taste, sense of style and elegance has always been a distinguishing feature of Georgian women. This is what has transformed Tbilisi, the capital of Georgia, over the past 20 years into a regional fashion mecca, marked with the opening of fashion houses, introduction of international standards of quality control, and more.



At the event “Discover Georgia”, Georgian Fashion was presented by online store ‘MORE is LOVE’ that has been promoting Georgian Designers for more than two years now. The designers presented counted: George Keburia, Ketevane Maissaia, Khoshtrik, Atelier Kikala, Lalo, Irina Gachechiladze, Anouki, Tata Naka, David Koma, 7II, Eshvi, Tamuna Ingorokva, Fakoshima, Ria Keburia, Chubika, Syndrome, Dalood, Tatuna Nikolaishvili, Mariam Gvasalia, and TwoM.

The online store offers buyers both one-of-a-kind pieces as well as commercial and wearable clothing. The range of clothing, accessories, jewelry and shoes presented are tailored for every type of taste and style.



CONTEMPORARY ART CORNER

Historically, Georgia is distinguished for its creative innovations. The Georgian art school is one of the oldest in the Caucasus region as well as in Eastern Europe. Georgian movies, music and fine art always broke the mold imposed by communism and conformism, which has paved the way to free - thinking for contemporary art. The works of art on display were a clear example of the above-mentioned tradition.

All the artists Lola Jiblaze, Maya Baratashvili, Louisa Chalataashvili, Giorgi Chxeo, Uta Bekaia, Levan Mindiashvili, Lado Pochkhua and Andria Dolidze presented at the venue are well known in international art circles and their pieces are stored around the world in private collections. Chelsea Market visitors could discover different, diversified styles, mediums and approaches displayed by the artists. This creative diversity underlines the huge potential of Georgian contemporary art.

“GEORGIA - MAKING BUSINESS EASY”

Conducted in New York

On September 29, 2015, Enterprise Georgia, under the Ministry of Economy and Sustainable Development of Georgia, organized the Investment Forum: Georgia- Making Business Easy. Event was conducted at Soho Grand Hotel, in New York, USA.

During the event the Prime Minister of Georgia, Irakli Garibashvili, hosted more than 300 world leading investors from different countries and discussed Georgia’s investment environment along with the simplicity of business-making in Georgia. The event was also attended by the Minister of Foreign Affairs of Georgia, Giorgi Kvirikashvili, the Deputy Minister of Economy and Sustainable Development of Georgia, Ketevan Bochorishvili, the Acting Head of Enterprise Georgia, Ana Kvaratskhelia, George Tsikolia, the Envoy Extraordinary and Plenipotentiary to United States, and other high-ranked officials from Georgia.

The Prime Minister highlighted the most promising sectors in of national economy and named the banking industry, the transport and logistics, the energy sector, the manufacturing and processing of agricultural products as the priority sectors in Georgia where the best conditions are available for investors.

“Georgia is becoming known as a globally attractive business destination and is positioning itself as a stable country with a liberal trade regime, low taxes and business efficiency. The Georgian Government will support you, your partners and all investors who decide to start and run a business in Georgia,” – noted the Prime Minister.

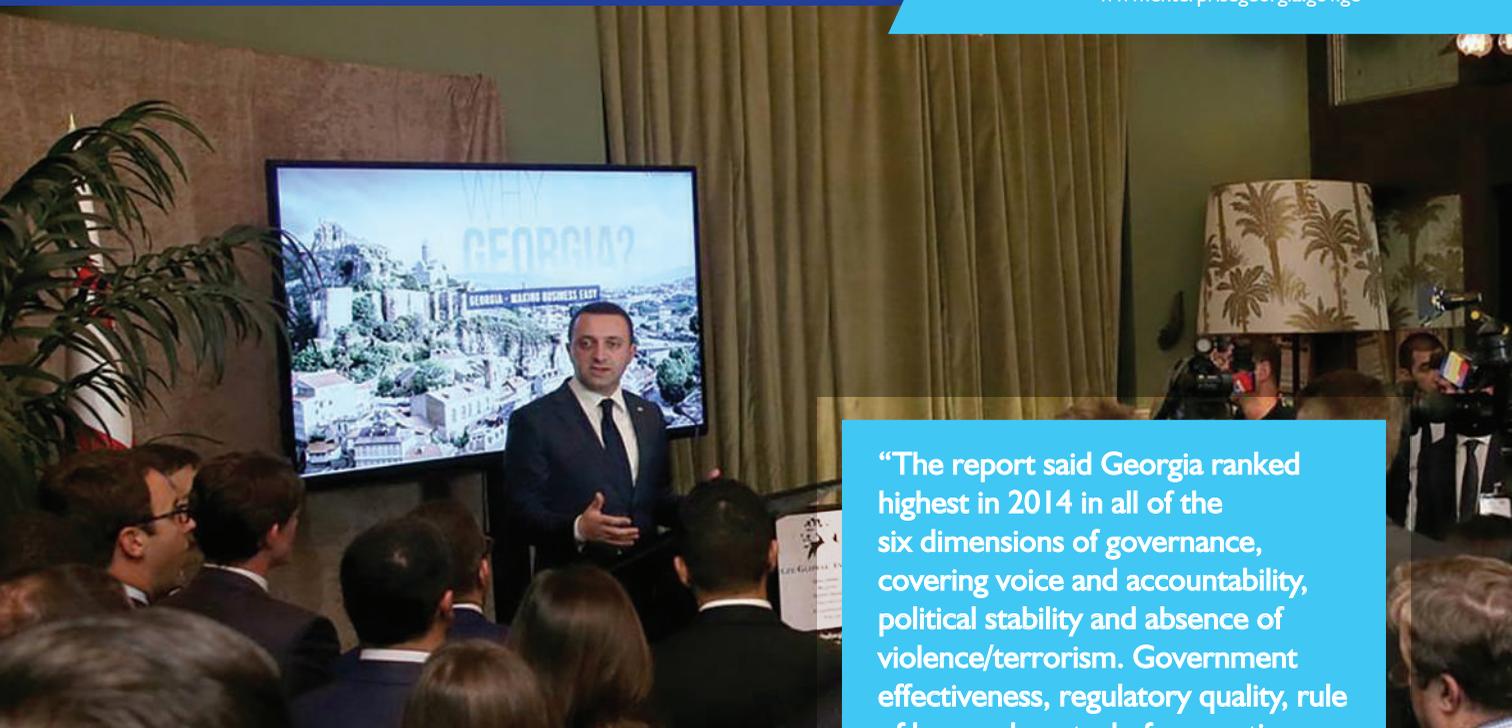
While discussing in detail each avenue of business, Irakli Garibashvili underlined that Georgia’s banking sector is one of the most developed in the region, while the country’s energy sector is attractive due to its abundance of natural resources.

The PM also accented Georgia’s growing touristic potential: “Georgia is attractive for tourists all through the year. Georgia is diverse with its destinations – it has beautiful beaches, ski resorts, vineyards, the oldest cave towns, gorgeous mountains and forests.”

“Georgia, as the cradle of wine and cuisine, has potential to develop wine and gastonome tourism. Last year, about five million tourists visited Georgia, which is more than the country’s population,” added the Prime Minister.

As for the transport and logistics industry, the Georgian official spoke about the Baku-Tbilisi-Kars railway project, which aims to connect Azerbaijan, Georgia and Turkey and carry containers, cargo and passengers from Asia to Europe 45 percent faster than the current route.

“The demand on Georgia’s ports has increased significantly. We have taken into account this trend and are building the Anaklia Deep Sea Port. The project includes seven phases. The Port’s annual turnover will be 100 million tonnes and will take Georgia’s logistic opportunities to the next level,” PM Garibashvili said.



“The report said Georgia ranked highest in 2014 in all of the six dimensions of governance, covering voice and accountability, political stability and absence of violence/terrorism. Government effectiveness, regulatory quality, rule of law, and control of corruption were also highlighted.”

In terms of implemented reforms, the PM emphasized the significant progress in all spheres made by the Georgian Government, at the same time, he noted that Georgia has a strategically significant location which gives the country huge advantage.

The PM also underscored the issue of Foreign Direct Investments (FDI) and noted that Georgia attracted \$1.75 billion USD FDI in 2014, which was 87 percent more than in 2013 and a seven year record high.

“We support new players on the market. In this regard we have created two multimillion investment funds – the Partnership Fund and Georgia’s Co-Investment Fund.” We run a universal health care program and are proud of our strong educational system. Our country is evaluated as stable and positive by leading rating agencies,” he added.

The Prime Minister also stressed the importance of a free court system and improvements in terms of the positions in all indicators, in particular, the recent World Bank Report measuring fairness of governments worldwide.

“Since 2012, Georgia has advanced by 16 places in the voice and accountability category, by 22 places in political stability and absence of violence/terrorism, and government effectiveness by 13 places in regulatory quality, by 19 places in rule of law and by 23 places in control of corruption.”

According to Vice Prime Minister, Minister of Foreign Affairs of Georgia, Giorgi Kvirikashvili, attracting a greater amount of American capital has strategic importance to Georgia.

“We seek to attract the maximum possible amount of American capital to Georgia as it is strategically important to our country. It is also important when investors receive information regarding opportunities in the country directly from the head of government. The Prime Minister presented a very extensive report on Georgia’s investment environment, describing in detail each important direction. “It is important to hold similar meetings throughout the United States of America, including the west, in Chicago. We seek to attract as much American capital to Georgia as possible as it is strategically important to our country,” said Giorgi Kvirikashvili.

“TASTE GEORGIA” WINNING HEARTS OF LONDONERS

Enterprise Georgia in cooperation with British Georgian Chamber of Commerce, Embassy of Georgia in the United Kingdom and the British Embassy in Tbilisi organized a two-day trade mission to London.

On April 24th event called “Taste Georgia” immediately captured attention of the British potential buyers and international companies from the food & beverage sector (including wines & spirits), who gathered at the Embassy of Georgia in London to meet Georgian producers of wine and spirits, juices, nuts, spices, sauces and tea.

Companies Chelti, Shalvino, Twins Wine Cellar in Napareuli, Lukasi Winery, Bagrationi 1882, Kula, Popkultur, Aromaproduct, Georgian Products Renaissance and Geoplant had a unique opportunity to display their products in frames of the mini exhibition at the Embassy premises and introduce their produce to potential buyers, also highlight Georgia’s export potential and explore channels to grow export into the UK and EU.

One of the crucial parts of the exhibition were the individual meetings held between the producers and the buyers, which were followed by a presentation and detailed discussion on import procedures and custom regulations with guest speaker Mr. John Furzer - from British government organization (FSA) Food Standards Agency. Georgian Companies had the opportunity to gain accurate firsthand information and assistance, what will be of great help when planning, organizing and actually exporting their production to the United Kingdom and EU countries.

An open discussion and informative presentation took place with Senior Trade Specialist from the British Georgian Chamber of Commerce. Companies were informed of Trade Benefits that have become available to Georgian Companies after the signing of the Association Agreement and DCFTA entering into force between EU and Georgia.

Ana Kvaratskhelia, Enterprise Georgia CEO: “I believe the exhibition, presentations and the B2B meetings were highly productive, especially taking into account the new initiative to create a Georgian Warehouse in the UK, which will act as a hub for Georgian products and give companies the opportunity to jointly transport and store their products in the UK. This will of course significantly reduce shipping and storage costs and in addition make Georgian products more accessible and affordable to interested parties.”

On April 25th Enterprise Georgia in frames of “Taste Georgia” trade mission brought to the life its initiative to introduce country to UK locals, increase awareness on Georgia as yet to be the explored travel destination and once again astonish foreigners with Georgian Food and Wine. With this big goal a cultural event celebrating Georgian Food & Wine was held at the prestigious Duke of York Square, in Chelsea (London), where the finest produce from all over the world is offered to Londoners and over 65 speciality food producers are creating the flavours of London every Saturday at Partridges Market. To best showcase what Georgia has to offer Enterprise Georgia rented a central location within Duke of York Square and hosted a pop up Georgian restaurant and Wine Bar. Menu included a selection of authentic Georgian dishes, even “Shotis Puri”, traditional Georgian bread baked in a deep circular clay oven was on offer by a pop up “Tone”. At the same time Georgian companies displayed their own production.

Ana Kvaratskhelia, Enterprise Georgia CEO: “To be honest I did not expect that much success as we organized this event for the first time, but I should say that “Taste Georgia” feast became an immediate success and was the center of attention during the whole day. It was a great live display of the growing popularity and demand for Georgian Food and Wine in London, as people stood in long lines (lasting for up to 40 minutes) to get a chance to Taste Georgia. You could see lots of Londoners and Georgian diaspora representatives





coming with their families and patiently waiting for their turn to taste delicious food and some mouth watering wines and beverages. Georgian companies sold everything they brought to London and established some key contacts with local potential buyers, which itself is an important outcome of our efforts.

For me a significant result and at the same time appreciation from the UK side is the decision made by Mr. John Shepherd, the Owner of Partridge's Food market, who kindly offered Georgia a permanent stall at Duke of York Square Saturday market. This means that Georgian producers will find themselves side by side with the finest produce that is brought and sold at London's one of most prestigious markets."

The success of "Taste Georgia" event was carefully observed by journalists from leading British Press & Media including Financial Times, Telegraph and The Guardian, along with numerous food & wine writers, bloggers and photographers.

Event organized in London is not an ad hoc promotion activity, but rather a part of a well planned export promotion strategy. In general 2015 is an exciting year for Enterprise Georgia as the agency will be promoting Georgian products internationally on targeted markets via product exhibitions, inbound and outbound trade missions, online marketing, product competitions etc. In upcoming months with the support of Enterprise Georgia producers of foods, beverages, wines and spir-

its will participate at Sial China 2015 (Shanghai, China through 6-8 May), NYC Summer Fancy show (New York, USA, 28 June), Riga Food 2015 (Riga, Latvia, through 2-5 September), Anuga 2015 (Cologne, Germany, through 10-14 October), CPhI Worldwide 2015 (Madrid, Spain, through 13-15 October).

On top of that Enterprise Georgia is helping export oriented companies access business intelligence (market reports, access guides to targeted markets). In fact by mid May a new service center for small and medium enterprises will be operational at Enterprise Georgia office. Centre will accommodate a library (also available online), a conference room and a media room equipped with computers and all necessary export information. Regular trainings and knowledge sharing sessions will be conducted.

Already for a second time through April-May 2015 Enterprise Georgia is running Certified Export Manager course in cooperation with the Caucasus University. The main goal of the short course is to advance the knowledge and skills of export managers and help them enter new markets.

Ana Kvaratskhelia, Enterprise Georgia CEO: We are certain that our efforts will considerably enhance the efficiency of SMEs, support export diversification and help Georgian companies become more competitive on both local and global markets. All the above will result in creation of new jobs and fast economic growth.

ENTERPRISE GEORGIA SUPPORTS TBILISI FASHION WEEK

The 12th season of Tbilisi Fashion Week (TFW)- supported by Enterprise Georgia for the third consecutive year - was held on October 8-11, 2015, Georgian designers' s/s 2016 collections were presented to local and foreign guests.



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A postcard from Tbilisi: the best of Georgian fashion



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Voguistas a Tbilisi: lo street style

“ We consider Tbilisi Fashion Week to be a significant platform for showcasing the production of local factories and helping them establish links with potential buyers, at the same time opening vast opportunities for local manufacturers to get international orders and work with world renowned brands,” - notes Ketevan Bochorishvili, vice minister of Economy and Sustainable Development of Georgia.



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Tbilisi Fashion Week Fall
2015

#WELCOMETOGEORGIA CAMPAIGN

The Government of Georgia has come up with a creative way of saying “welcome” to international guests – all foreign citizens arriving at any three international airports of Batumi, Kutaisi and Tbilisi will receive a branded bottle of Georgian Saperavi wine at the passport control.

The campaign #welcometogeorgia was initiated and implemented by Enterprise Georgia.



ketushaa04 Being welcomed to Georgia the right way 🍷👏 #WelcomeToGeorgia



njafamia PSA: Georgia gives you a complimentary bottle of wine at passport control. Not sure we chose the best country to take the LSAT. #tbilisi #georgia #4am



a_kozhumiya По прилету в Тбилиси на паспортном контроле сотрудник таможи выдал сухое красное 🍷 #welcometogeorgia



rokas89 Thats how board control should work. Gifts from Republic of Georgia #WelcomeToGeorgia #Kutaisi #skrt



lagutinavarya #welcometogeorgia #toblerone #newyearstree #vine

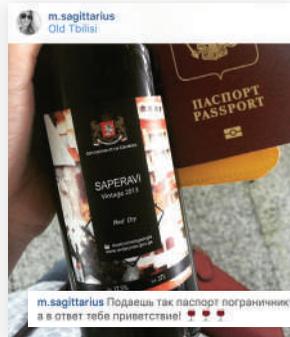
Вино это дают на паспортном контроле в Грузии, а я его пью в Украине, пока готовлю оливье к новомуднему столу 🍷👏



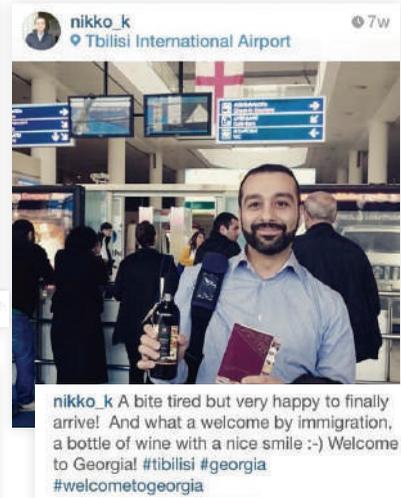
ankamiau Warm welcome from #Georgia. Thank you and #cheers 🍷👏 #welcometogeorgia #gruzja #wakacje #wino #wine #travel #hollydays



drewstagram They love me here.



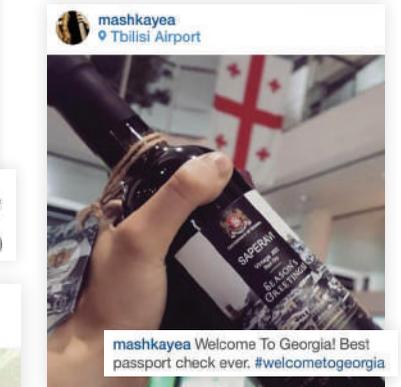
m.sagittarius Подарить так паспорт пограничнику, а в ответ тебе приветствие!



nikko_k A bite tired but very happy to finally arrive! And what a welcome by immigration, a bottle of wine with a nice smile :-) Welcome to Georgia! #tbilisi #georgia #welcometogeorgia



shmeva44 This is what I received from the passport control officer!! From the ministry of economy and sustainable development. #welcometogeorgia!! (If only I could drink it...)



mashkayea Welcome To Georgia! Best passport check ever. #welcometogeorgia



cevdetataalp Cheers 🍷 thanks to Georgian Passport Control Officers for this gift #Georgia #tbilisi #Saperavi



artem_zven You get a free bottle of wine when you first enter Georgia! #welcometogeorgia



om_noom_nam Грузия встретила очень душевно #welcometogeorgia

The bottle contains information about the history of wines and winemaking in Georgia as well as positive messages on doing business and trading with Georgia. The campaign implemented by the Government of Georgia aims at promoting the country's image in general as an investment and trade destination, as well as raising awareness about the signing of EU-Georgia AA and Georgia becoming a part of the EU market by joining the DCFTA.

It should be noted that the campaign has gained huge popularity across social media, we have been receiving very popular feedbacks from our international guests.



ENTERPRISE GEORGIA OUTLOOK FOR 2016

MORE SMES GROWING WITH GOVERNMENT SUPPORT

In a year ahead we expect more entrepreneurs to get interested in “Produce in Georgia” program, therefore Enterprise Georgia will further offer financial assistance and will even more expand its technical assistance tools to make companies efficient, profitable and sustainable in a longer run.

NEW COMPONENTS OF “PRODUCE IN GEORGIA” PROGRAM

We saw a big potential of film making field as well as hotel industry, therefore Enterprise Georgia initiated special incentive schemes for international and local film producers to shoot production in Georgia and popularize country as a favorable filming destination. Big news are coming up for hotel developers, since

they will be gaining easier access to finance and knowledge. The government will be co-financing interest rates for bank loans like we did for the industrial development component. Additionally, even franchising royalties will be paid for hotel owners willing to bring in a brand hotel via a franchise or a management contract.

MICRO AND SMALL BUSINESS SUPPORT

2016 will bring more development to the regions of Georgia since 2 000 more micro and small entrepreneurs will be able to receive government financing and start or expand the existing business. Enterprise Georgia will ensure that besides receiving funding people will also be trained and will benefit from the individual consultations to properly manage their business.

ENHANCING OUR TECHNICAL ASSISTANCE

2016 will be a year of successful cooperation with the local private sector. Businessmen are expected to receive knowledge and experience through a number of training or matchmaking projects we initiated.



Together with JICA we will encourage establishing cooperation between Georgian and Japanese private sector representatives



Up to 25 Georgian business executives will visit Germany and participate in Manager Training Programme. Enterprise Georgia officially joined the program “Fit for partnership with Germany” in 2015. The program is jointly implemented with the Federal Ministry of Economic Affairs and Energy of Germany and German Corporation for International Cooperation (GIZ).



In 2016 year, Enterprise Georgia will implement the first active phase of Training Needs Assessment project among the private companies of Georgia in two sectors: Hospitality (Accommodations) and Paper, Printing and Publishing. The project goal is to evaluate the skill gaps in private sector in order to enhance and coordinate the activities of Enterprise Georgia in rendering Technical Assistance to Georgian companies.

OFFERING EXTENSIVE SUPPORT TO EXPORTERS

In the upcoming year we look forward to creating more export opportunities for local businessmen, therefore in line with other events primarily target:

- ▶ Gulf food 2016, Dubai, UAE (Food and Beverage)
- ▶ Sial paris 2016, Paris, France (Food and Beverage)
- ▶ Duphat 2016, Dubai, UAE (pharmaceuticals)
- ▶ CPHI Worldwide 2016, Barcelona, Spain (Pharmaceuticals)

EXPORT EDUCATION

Enterprise Georgia sees educational component as a crucial part of raising qualifications of export managers and will continue offering “Certified Exports Manager” crash course focusing on gaining knowledge and practical skills for successful export operations.

AGGRESSIVE EXPORT SUPPORT STRATEGY TO EU MARKETS

Since the DCFTA is in force and local entrepreneurs are encouraged to make the best use of this trade agreement Enterprise Georgia will focus on identifying and planning export strategies for specific products (mainly food industry) on targeted EU markets. We will regularly arrange B2B meetings between product buyers and producers and at the same time promote specific products on targeted markets via www.tradewithgeorgia.com online platform, which unites the products of nearly all export oriented companies in Georgia.

KICK OFF EXPORT FOR FIRST TIME EXPORTERS

We saw the potential some companies had but could not utilize, therefore from 2016 decided to identify export ready companies and help them target markets and plan export operations. We will guide local companies via providing marketing consultations, drafting export strategy, training export managers and arranging B2B meetings with products buyers at different international trade events.

Who? The Export Development Department of Entrepreneurship Development Agency was set up

Why? For promotion of export of Georgian products

Where? Worldwide

The wide range of preferential trade agreements,

Rich diversity of high quality product,

As well as the liberal tax policy, allows international traders to benefit from

Doing business with Georgia.

Enjoying liberal trade regimes with half of the world, Georgia is a

WTO Member under MFN treatment from all member countries and is

In Free Trade Agreement with EU, CIS and Turkey.

The other natural advantage of Georgia is, that it is the

Hub for Europe, Asia, CIS – having excellent

Geo-Political and Geo-Strategic location.

EU imports Georgian product tax free under DCFTA trade agreement and

Over 3400 export products are within the US's GSP scheme.

Reduced cost of products due to tax free exports make Georgia a competitive trader.

Got

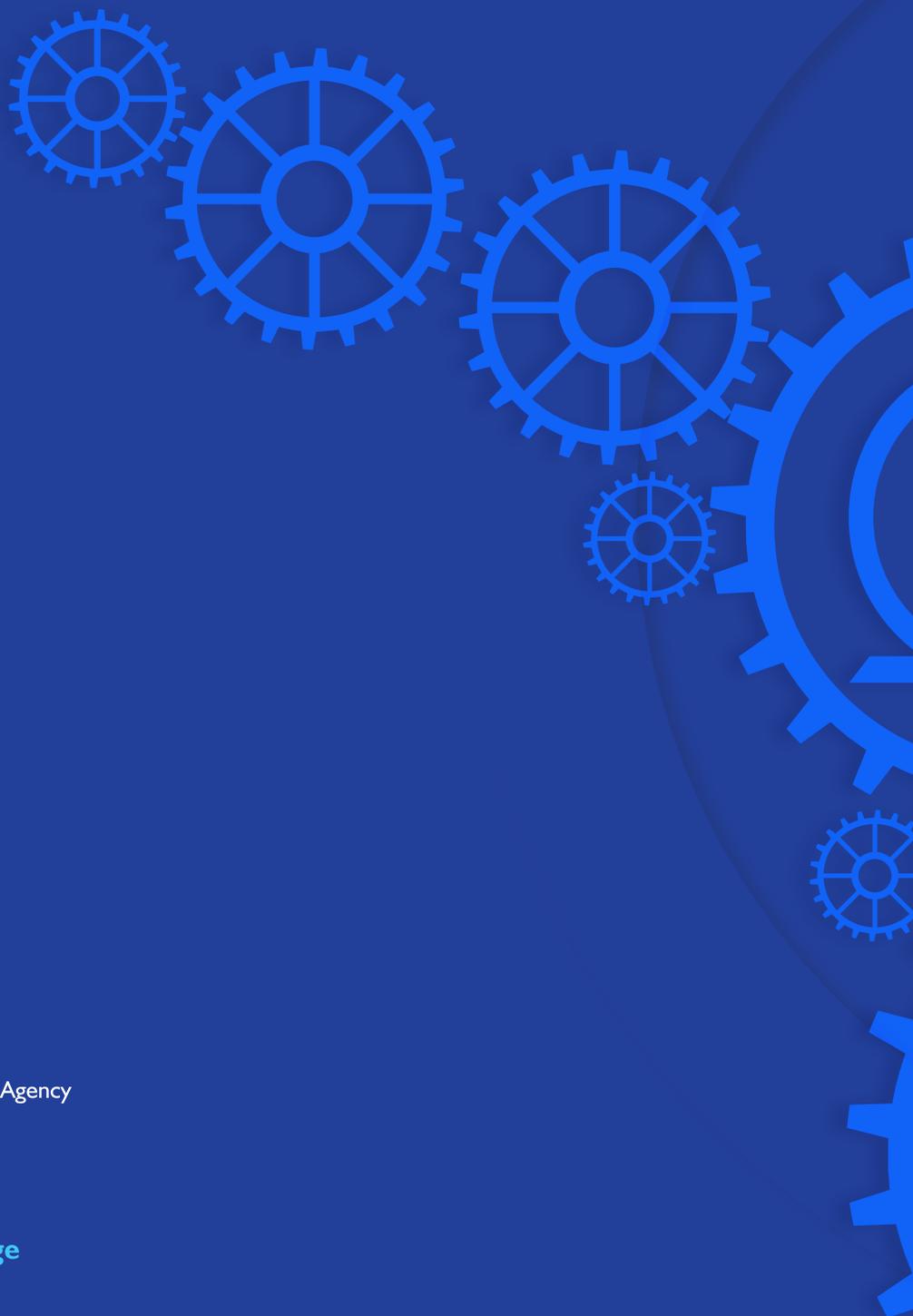
Interested

About Georgia?

Come to find

Out

More!



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