

GEORGIAN HAZELNUTS STRIKE
BACK – THE NEAR DEMISE AND
REBIRTH OF GEORGIA'S SECOND
FAVORITE CROP

A LETTER FROM NEWLY-
ELECTED AMCHAM PRESIDENT
SARAH WILLIAMSON

MEET MIZ-MASK: THE
ELECTRONIC RESPIRATOR
STARTUP KILLING CORONA
WITH UV

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A Magazine Of The American Chamber Of Commerce In Georgia

ISSUE 76

DEC.-JAN. 2020/21



Fending off Covid: Georgia goes back into lockdown



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*Season 's Greetings
and best wishes for a Covid-free 2021!*

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INVESTMENT NEWS

INVESTOR.GE PROVIDES A BRIEF UPDATE ON INVESTMENTS AND CHANGES IN GOVERNMENT POLICY THAT COULD IMPACT THE BUSINESS ENVIRONMENT. INFORMATION IN THIS ISSUE WAS TAKEN FROM AGENDA.GE AND OTHER SOURCES.

GEORGIA REINSTATES PARTIAL LOCKDOWN MEASURES FOLLOWING STEEP SPIKE IN INFECTION RATES

The Georgian government announced a series of new coronavirus restrictions on November 26 following a jump in the number of daily cases. The new regulations will be in force for two months, between November 28 and January 31.

Curfew will be observed between 9:00 p.m. and 5:00 a.m., to be lifted temporarily on December 31 and January 6. Meanwhile, municipal and intercity transport has been suspended, including the Tbilisi metro, and classes and lectures in all schools and universities will be held remotely.

Cultural and sporting events have been suspended, while all restaurants, bars and cafés can only operate through delivery, takeaway and drive-thru services.

Many shops will be forced to close: all retail shops must transfer to online operations, except for shops selling food products and home essentials, veterinarian, agricultural or pharmaceutical products. Strategic entities providing electricity, water, gas, gasoline and diesel will remain open, as will press booths.

Gyms, swimming pools and spas will have to temporarily shutter, along with entertainment venues.

The private sector has also been strictly recommended by Prime Minister Gakharia to work remotely wherever possible.

NEW INTERNATIONAL FLIGHTS WILL NOT RESUME UNTIL AT LEAST NEW YEAR'S IN GEORGIA

Regular international flights will not resume in Georgia until December 31, 2020, the Georgian Civil Aviation Agency has announced. This restriction



does not apply to direct international flights that are carried out or scheduled between Tbilisi International Airport and the following destinations: Munich, Paris, Riga, Doha, Warsaw, Athens, Amsterdam, Berlin, Vienna, and Milan. This restriction also does not apply to scheduled flights between Kutaisi International Airport and the following airports: Riga, Katowice, Vilnius, and Dortmund. Georgia completely shut down air traffic in the country on May 21 in order to slow the spread of the coronavirus.

GEORGIA EXPECTING \$6 BILLION IN TOURISM REVENUE IN 2024

Georgia expects 10.5 million international visitors in 2024 and \$6 billion in earnings from the tourism sector in 2024, the Head of the Georgian Tourism Administration, Mariam Kvrivishvili, said in an early October press release. From 2012 to 2020, the number of visitors entering the country increased from 4.7 million to 9.4 million, while earnings were \$3.3 billion in 2019. The share of tourism in the country's economy exceeded 8% that year, in which more than 150,000 people were employed in the tourism industry.

GEORGIA SHOWS IMPROVEMENT ON WORLD BANK SURVEY IN GOVERNANCE

Georgia has shown improvement in the World Bank's Worldwide Governance Indicators (WGI) study released in early October in terms of government effectiveness and regulatory quality. Georgia received 77% from the total

100% scale for government effectiveness and 83% for regulatory quality, which assesses reforms carried out by the government for the development of the private sector. The Worldwide Governance Indicators project reports aggregate and individual governance indicators for over 200 countries and territories over the period 1996–2018, for six dimensions of governance, including voice and accountability (in which Georgia received 53%), political stability and absence of violence (29%), government efficiency (76%), regulatory quality (82%), rule of law (62%), control of corruption (74%).

FRUIT EXPORTS REACH NEW HEIGHTS DESPITE PANDEMIC

Georgia exported 25,000 tonnes of peaches and nectarines for a total of \$21.3 million between May 1 and October 4—a 100% year-over-year bump for the otherwise small industry in the country. Georgian peaches and nectarines were mainly exported to Russia, Armenia and Azerbaijan. Meanwhile, Georgia exported 2,149 tonnes of apples worth \$947,000 between August 1 and October 11, announced the Georgian Ministry of Agriculture and Environmental Protection. The volume of apple exports is six times higher than it was in the same period of 2019, while the value of exports increased by \$713,000, said the ministry.

WORLD BANK TO HELP GEORGIA PURCHASE COVID-19 VACCINES



The World Bank announced readiness to help Georgia purchase Covid-19 vaccines as soon as an effective one becomes available. The World Bank has already provided \$80 million to Georgia under the Fast Track Covid-19 Facility to mitigate the health and social impacts of the Covid-19 pandemic in April 2020.

100,000 GEORGIAN CITIZENS LOSE SOURCE OF INCOME DURING PANDEMIC

As of mid-October about 100,000 Georgians have lost their source of income during the pandemic, the Finance Ministry says. This estimate was based on the number of people receiving 1,200 GEL over the course of six months per the government's social support plan, or individuals employed in the informal sector or the self-employed, who have received one-time assistance of 300 GEL.

NEGATIVE TRADE BALANCE DECREASES SLIGHTLY IN JANUARY-OCTOBER 2020 YEAR-OVER-YEAR

Georgia had a negative trade balance of \$3.7 billion in January-October 2020, which constituted 40.7 percent of its share in external trade turnover. One year earlier, the trade deficit of Georgia amounted to \$4.3 billion over the same time period, and amounted to 41.4 percent of total trade turnover. Turkey, China, and Russia remain Georgia's largest trade partners.

INTERNATIONAL IT, MARITIME COMPANIES TO ENJOY TAX BENEFITS IN GEORGIA

Companies that offer IT and maritime services will be able to enjoy favorable terms of taxation in Georgia if they obtain the status of an international company in the country. Announcing the benefits on October 8, the Georgian

Finance Ministry said that in order to be granted the status of an international company in Georgia, it is necessary for a firm to be registered in Georgia and have at least two years of work experience in the country. After obtaining the status of an international company, a company will enjoy reduced property (but not land), profit, dividend (full exemption), and income taxes, with profit and income taxes reduced to 5%.

SEPTEMBER 2020: MONEY TRANSFERS TO GEORGIA UP 28%

Georgia received \$192.7 million from abroad in September 2020, which is 28.7% more than the amount in September 2019, says the National Bank of Georgia (NBG). Russia, Italy, and the United States were the largest remittance senders to Georgia in September 2020. Georgia received \$35 million from Russia, \$29 million from Italy and \$23 million from the United States.

After Russia, Italy, and the United States, other countries regularly sending money transfers to Georgia in September 2020 included: Greece (\$21.4 million), Israel (\$13.9 million), Turkey (\$10.6 million), Germany (\$7.5 million), Azerbaijan (\$7.4 million), Ukraine (\$13.2 million), Spain (\$4.8 million), Poland (\$2.6 million), France (\$2.9 million) and the UK (\$1.9 million).

In September 2020, remittances leaving Georgia totalled \$25.1 million, which is a 22.4% increase year-on-year.

BAG INDEX: 50% OF COMPANIES HAVE LOW LEVEL OF TRUST, OR NONE AT ALL, IN THE GEORGIAN JUDICIAL SYSTEM

About 41% of Georgian companies have a low level of trust in the Georgian judicial system, while 9% have none at all, shows the Business Association of Georgian (BAG) Index. Only 18% of ►

- ▶ those businesses surveyed indicated a high level of trust in Georgian courts.

Moreover, 33% of companies assess the Georgian judicial system as efficient or very efficient, while 39.2% think that the system is inefficient or very inefficient. Legal and administrative barriers were cited as one of the main factors hindering business activity, with the judicial system highlighted by many as a sub-factor within this category. Respondents saw a need for improvement with respect to tightening deadlines (76%) and increasing competence (57%).

NAMAKHAVANI HPP COULD PROVIDE A 12% BOOST TO GEORGIAN ENERGY SUPPLY



The Namakhvani hydroelectric power plant (HPP), being built in the Tskaltubo municipality, will provide Georgia with 12% of its electric energy needs once completed, Economy Minister Natia Turnava said at a late-October press conference. The plant will have an installed capacity of 430 MW, and will bring in \$800 million in foreign direct investments, Turnava noted, adding that up to 1,600 Georgian citizens may be employed by the project carried out by Turkish company Enka. By the end of 2020, nine HPPs with a total installed capacity of 31 MW will have been put into operation.

ADB APPROVES \$200 MILLION POLICY LOAN TO SUPPORT GEORGIA'S ECONOMY RECOVERY

The Asian Development Bank (ADB) approved a \$200 million policy-based

loan in late October to support Georgia's recovery from the coronavirus disease pandemic by launching a fiscal resilience and social protection support program. This program is aimed at ensuring macroeconomic stability in the medium to long term while continuing to protect the livelihoods of those most affected by the crisis.

The ADB program also aims to strengthen the management of public exposure to fiscal risks and deepen domestic markets for government securities.

These measures seek to reduce the share of general government debt denominated in foreign currency and minimize public exposure to refinancing and currency risks that threaten macroeconomic stability.

The program will also help ensure the fiscal sustainability of social protection programs that were expanded during the crisis.

In May this year, the ADB approved a \$100 million loan to support the government's anti-crisis measures, including tax deferments for small and medium-sized businesses, temporary payments for pandemic-affected workers, and free access to Covid-19 diagnostic and treatment services.

STATE TO COVER UTILITY FEES FOR CITIZENS BASED ON CONSUMPTION LEVELS



The state will cover the utility fees of certain citizens starting in November for four months based on their levels of consumption of power and gas. Electricity fees will be covered for households which consume less than 200 kWh

of electricity and 200 cubic meters of natural gas per month. Electricity will be covered for more than approximately 1.2 million households, while natural gas utilities bills will be covered for approximately 650,000 households.

NEW LOCAL AIRLINE COMPANY AIR GEORGIA TO START OPERATIONS IN 2021

The Georgian air market is expanding with a new local airline company; Air Georgia, which plans to start operations in the Georgian aviation market in 2021. Air Georgia plans to carry out flights to Europe and Central Asia. The airline company has already applied to the Georgian Civil Aviation Agency for a flight permit. There have previously been only two local airline companies in Georgia—Georgian Airways, which was established in September 1993, and Myway Airlines, which started operations in 2018.

NATIONAL BANK OF GEORGIA KEEPS REFINANCING RATE UNCHANGED AT 8%

The National Bank of Georgia (NBG) has decided to keep the refinancing rate unchanged at 8% at its last Monetary Policy Committee meeting in late October.

"Annual inflation keeps decreasing and it amounted to 3.8% in September," says the NBG, noting that based on its forecast the annual inflation rate will approach the targeted inflation rate by 2021. The bank says that the decrease in inflation is caused by a decrease of weak aggregate demand, noting that external demand is quite significant.

"Against the backdrop of increased coronavirus cases and the anticipated extension of the pandemic, the global economic recovery in 2021 is expected to be slower than previously forecasted, which will have downward impact on

external demand,” the NBG said, noting that the Monetary Policy Committee also took into account the uncertainty associated with the acceleration of the virus spread and the increase in geopolitical risks.

INFLATION FOR ESSENTIAL ITEMS INCREASED AT A FAIRLY NORMAL PACE IN GEORGIA IN OCTOBER

The prices of food and non-alcoholic beverages, clothing and footwear, transport, health, have increased in Georgia month-on-month, the latest inflation data from the National Statistics Office of Georgia (Geostat) show.

The prices of food and non-alcoholic beverages increased 0.9%, while it went up 5.4% for clothing, and 3.2% for footwear.

Transport prices increased by 0.8%. Health related costs also went up by 1.2%. The prices increased for medical products, appliances and equipment (2.9%).

Overall, in October 2020, the consumer price index increased by 0.8% compared to the previous month, while the annual inflation rate amounted to 3.8%.

With regard to annual core inflation, which is calculated by excluding the groups of food and non-alcoholic beverages, energy, regulated tariffs, and transport from the consumer basket, prices increased by 5.4%, while the annual core inflation without tobacco amounted to 5%, Geostat said.

NEW DRY BULK TERMINAL TO BE BUILT IN POTI PORT

A new dry bulk terminal will be built on the north side of the Black Sea Poti port per an agreement signed between APM Terminals Poti (APMT) and Poti New Terminals Corporation (PNTC).

APMT will invest in the construction



of a new breakwater, 400 meters of quay wall and dredging of up to 13.5 meters of ship draft, while PNTC will invest in the construction of a new dry bulk terminal which will include a patio area and rail connection to Poti.

“It is an important milestone in reaching our ambition to develop the best-in-class logistics solution at Poti port, which involves a modern dry bulk facility capable of accommodating Panamax vessels and handling various types of cargo on 25 hectares of the custom area. This infrastructure will make the supply chain more efficient and effective for local and regional cargo owners,” said Managing Director of APM Terminals Poti Keld Mosgaard Christensen.

The new dry bulk terminal will be built during the first phase of the port construction project and will create an additional capacity of approximately 10 million tonnes for bulk cargo.

EBRD PREDICTS 3.5% GROWTH FOR 2021 IN GEORGIA, IMF EXPECTS 4.3%

In its 2020-2021 transition report, the European Bank for Reconstruction and Development (EBRD) forecasts economic growth for Georgia at 3.5%, predicting a contraction of 5% in 2020.

The Covid-19 pandemic is particularly disruptive for the small and open Georgian economy, says the report.

“The impact of the external pandemic shock was wide-ranging, hitting export of goods, tourism and remittances, all

very important pillars of the Georgian economy. Strict virus containment measures, imposed in March 2020, hit domestic demand and many small service providers,” the EBRD notes.

“The hospitality sector, the main driver of robust economic growth in recent years, has become a key source of vulnerability during the Covid-19 pandemic,” the EBRD says, ascribing much of the dip in GDP due to the collapse of the hospitality sector.

In turn, the International Monetary Fund still predicts 4.3% growth in 2021 “as the effects of the pandemic fade, but considerable downside risks remain.”

GEORGIA RANKS 53RD OF 167 ON LEGATUM PROSPERITY INDEX 2020

Georgia ranks 53rd of 167 countries on the Legatum Prosperity Index 2020 which assesses countries’ political, social, economic and environmental standings. Since 2010, Georgia has moved up the rankings by 11 places, the index shows. Georgia’s rankings by category were: Safety and security (73), personal freedom (61), governance (51), social capital (111), investment environment (41), enterprise conditions (53), market access and infrastructure (56), economic quality (82), living conditions (89), health (82), education (55), and natural environment (115).

The biggest improvement in the index compared to a decade ago came in safety and security.

A letter from newly-elected AmCham President Sarah Williamson



Dear AmCham Members and Friends,

I hope this letter finds you healthy and persevering through the trying times facing us all. 2020 has certainly been a year of unforeseen challenges. While these are not the circumstances that any of us hope for, I am humbled to have been elected to lead our efforts at a time when AmCham's role has never been more vital.

We are dearly missing the opportunities of face-to-face engagement, networking events and activities that we could previously take for granted. Nonetheless, I am determined to see us continue to create ways to work together, across whatever platforms possible. In this way, over the coming months, we will work to keep the membership informed, support members in difficulty and ensure that lines of communication are clear between the private sector and government.

Moving forward, our priority will be to help ensure that Georgia is ready to take advantage of every possible opportunity as we come out of the global pandemic. In particular, we will need to work harder than ever to keep Georgia "on the radar" of our counterparts abroad.

I continue to believe that the country's development as a democracy and in forming the world's view of Georgia as a place to invest are in fragile phases. We must continue to do all we can to encourage investment in Georgia, both foreign and domestic. To do so credibly,

we must continue to engage with the government and other stakeholders on issues such as rule of law, domestic democracy, and transparent market-driven economic reforms.

As I take back over the Presidency of AmCham, I want to thank outgoing President Michael Cowgill, outgoing VP Treasurer Irakli Baidashvili and Executive Director George Welton, for their dedication and leadership over the last 4 years. It was truly a pleasure to serve as Vice President with this team and the entire Board. I feel honored to take over from Michael now, as well as to begin working more intensively with George again. Challenges brought on by Covid-19 and all its repercussions notwithstanding, our Chamber remains in a healthy, well-organized and well-managed position thanks in no small part to their supreme efforts!

I also want to take this opportunity to both thank our superb outgoing Board Members and congratulate all those on the new Board. As always, the role of the entire Board will be essential. I have been extremely fortunate, over the years, to work with an exceptional group of dedicated and diverse board members. I am happy to see that the new board continues to fit that description. I look forward to working with them.

In closing, I thank you all for the faith you have entrusted me with. I will continue to represent AmCham in a manner that ensures our place as the strongest and most respected foreign business association in Georgia, as well as improves our ability to advocate for our members' collective needs, thereby strengthening our membership and our chamber.

Sincerely,

Sarah Williamson
President, American Chamber of Commerce in Georgia
Senior Vice President, UGT Group

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Georgian snack start-up Enkeni's journey to make a healthier chip – from apples

AN INNOVATIVE DRYING METHOD, SCIENTIFIC CURIOSITY AND THE SEARCH FOR A HEALTHIER BUT EQUALLY DELECTABLE CHIP HAS LED THREE YOUNG GEORGIAN ENTREPRENEURS TO THE DISCOVERY OF A CRISPY, INNOVATIVE SNACK.

HANS GUTBROD

For many of us, there is a small hop of joy when we discover a nice-looking Georgian product on the shelves of a local supermarket, amid that wall of items that come from far afield. Enkeni is

one such product—attractively packaged apple chips, from Gori orchards, in red, green, and yellow varieties.

Three young entrepreneurs are behind the product: Nona Noniashvili, Tamari Sheitnishvili, and Shalva Mdzinarashvili. They began their “start-up journey,” as

Noniashvili puts it, at the Agricultural University of Georgia (known to many as the Free University), where they were studying food science and business. In one lecture, they learned about drying fruits, and “we were so fascinated by it that we started experimenting with the process ourselves.”

Persistence was key: it took them several months of testing to achieve apple chips that, as Noniashvili puts it, “had greater flavor, were crunchier, and more enjoyable to eat.” Once that was in place, the three entrepreneurs decided to start building F.I.T., “a healthy snacks company.” Two of the founders, Noniashvili and Mdzinarashvili, had specialized in food technology, while Sheitnishvili studied business administration.

At the heart of Enkeni is an innovative drying method, says Mdzinarashvili, which seeks only to remove the water from the apples while leaving all the vitamins and nutrients in the chips. The crispiness comes from making the chips very dry. Almost all the water content—about 85% of a typical apple—is removed and the chips only retain a 3-5% moisture level. There are no additives of any kind. The team undertook extensive market research, tasting fruit and vegetable chips from companies around the world. They found that, compared to their own chips, these international products typically relied more on hard baking rather than tender drying, that they had thicker slices and were visually darker. They focused on developing Enkeni as an alternative: thinner, with an attractive visual appearance and a unique texture and taste, combining appeal, fun and health.

The case of F.I.T.'s Enkeni illustrates that business support can help young entrepreneurs to develop their ideas. These start-up programs, Sheitnishvili says, “gave us enormous practical experience and the opportunity to create a strong team.” The Estonian Smart_up_Georgia 2015 program helped the team to construct a drier prototype, after they placed at the top from among more than 100 participants. Having follow-on support helped: in 2016, the team won the “TS Fund” competition, constructed a more efficient dryer and purchased a packing machine. With these building blocks in place, the team proceeded to win support from “Startup Georgia.” The prize money allowed F.I.T. to build a small factory in the village of Ditsi, in the Gori region, to purchase further machinery and equipment, to take its first

packaged product (Idared apple chips) to the market, and to develop its distribution network.

In this story there is a warning to other start-ups, too—much more than a good idea is needed to develop a viable business.

Noniashvili says that three lessons stand out for her that may be useful to other founders. The bedrock is “love/commitment to the start-up,” to see you through the inevitable reversals. To develop quickly and efficiently, time management and specialization is crucial. You cannot do everything; the things you do, you have to do well. Tasks need to be completed. And you have to keep improving, with passion and competence, as a necessary driver. It helped the team, Noniashvili adds, that all three founders are personally involved in every strategic and operational issue, though with specific roles.

The three founders put a special emphasis on being close to their customers. They take part in events, exhibitions, workshops and festivals. The founders themselves hold tastings in leading sales outlets or fitness clubs: “During the tasting process, we establish face-to-face contact with potential customers and share our start-up story. In this way we’re raising brand awareness, empathy and gaining useful feedback,” says Noniashvili. Sales are part of product development.

With a well-rounded and attractive product, advertised by word-of-mouth and with nearly 10,000 likes on Facebook (as well as some celebrity endorsements), Enkeni is now sold in Tbilisi’s leading outlets, including Agrohubs, Europroduct, Fresco, Goodwill, Nikora, and several Spar markets. In Rooms Hotel the chips are available through the in-room mini bar.

Farmers in the Gori region win, too.

They can supply F.I.T., which in turn can process fruit when there is peak supply from apple orchards. When selecting apples, the F.I.T. team first performs a visual test, and then selects samples for further lab analysis in accredited partner laboratories. Only top-quality apples are suitable when creating top-quality chips.

F.I.T. wants to develop more products and reach more markets. The founders argue that “healthy, trendy and innovative snacks for a modern society” are part of a growing trend, in Georgia and across the world. People want to live healthier lives. The trend is a response to a real problem, as external numbers show. Obesity among children in Georgia in children and adolescents aged between 9-15 has risen from 1.9% to 8.5% from 2000 to 2016, a whopping fourfold increase, according to the Global Nutrition Report. Another study published in 2019 in the BMC Public Health Journal indicates that the adult obesity rate in Georgia stands in excess of 33%, with an increase of 8.5% from 2010 to 2015. The latter study concluded that “interventions aimed at improving physical activity and healthy dietary intake” are needed.

Enkeni responds to this weighty problem by offering a sweet, light, and tasty product. Alternatives to highly processed snacks with industrial ingredients seem to be in demand, according to one industry insider, who estimates that sales of healthy foods in Georgia may be as high as 500,000 GEL per month. Noniashvili concurs. “Awareness of healthy eating and snacking is gradually growing, and more and more people are shifting from ordinary snacks to eating Enkeni,” Noniashvili says. There is demand for more variety, too, which is why the team in the future wants to develop dried vegetables, tangerines, pumpkins, melons and other fruit.



Ideally, Noniashvili says, they would like to achieve good coverage of the Georgian market and eventually export to the U.S., the EU, and parts of Asia. Having seen what else is available in the market, F.I.T. believes it has a competitive product, and are currently talking to some potential clients abroad.

For growth, F.I.T. is hoping to take advantage of various business-grant projects to expand their production. To the extent possible, the three entrepreneurs seek to bootstrap with a mix of their own resources and support programs. “We want to start negotiating with investors when the company is well established and big enough,” according to Noniashvili. Having committed so much time and effort over previous years, they see this as the least-risky path to growth.

What can others do to help promising food start-ups grow in Georgia? Supermarket chains could help by providing easier access to their shelves, with lower fees, and by providing opportunities to hold marketing activities, such as free tastings. This would help more customers get to know this innovative local product. Others could help by giving products from start-ups as a small gift, as a healthy alternative to chocolate or the obligatory bottle of wine. Next to selling via major outlets, the F.I.T. team is also committed to direct service. For orders above 100 GEL, one of the team members will deliver the product directly to one’s house in Tbilisi, at least for the time being.

You can follow Enkeni on Facebook at <https://www.facebook.com/enkeni00/>

Dr. Hans Gutbrod teaches at Ilia State University. Guga Chomakhidze contributed background research to this article.

Know of other promising start-ups delivering exciting innovative products? Let the Investor.ge team know. We’d love to feature growth stories from Georgia.



REBOUND:

How Georgia can learn from the pandemic and build a more resilient economy



AN INTERVIEW WITH USAID ECONOMIC GOVERNANCE PROGRAM CHIEF OF PARTY NATALIA BERUASHVILI

Before the onset of the coronavirus pandemic, the Georgian economy had been on its way to a bumper year: tourism numbers were high, trade was up, and planned public investment was robust.

But by March, it was clear the virus was infecting every aspect of the economy, especially the vulnerable sectors of tourism and hospitality. Other areas were also looking grim.

As the impact on the economy grew, the Georgian government asked the USAID Economic Governance Program to help devise a recovery plan to mitigate the effects of the pandemic.

"The Government of Georgia asked for the Program's support in designing post-COVID-19 economic recovery measures.

In response, the Program engaged a team of international economic experts to help develop the economic recovery plan," noted Natalia Beruashvili, who heads the USAID Economic Governance Program.

The experts were recommended by Deloitte Consulting Overseas Projects LLC, implementer of the USAID Economic Governance Program, and were agreed upon with the Prime Minister's Office.

The team studied data from before and during the pandemic, including the impact of the lockdown and the potential consequences of increased public borrowing to fund emergency assistance, writing in their report: "Georgia entered the pandemic in a strong position, backed by an effective reform agenda, strong international rankings, a steady growth trajectory, and sustainable fiscal accounts. Its central bank enacted sound monetary policy, and effective inflation targeting and structural reform to the financial sector."

Based on their analysis, the experts detailed recommendations for the necessary steps to foster rapid recovery.

The recommendations run the gamut of economic and finance policy making, including innovative ideas for how

Georgia can use the pandemic and post-pandemic periods to improve workforce education and accelerate digitalization efforts. This includes the acceleration of the private sector's adoption of digital tools and business models.

The report underscored the need to accelerate capital markets reform, already a priority area for the Program, and to use the pandemic period to ensure workers receive the training they need to transition from low-earning work to more skilled professions.

The experts noted that several existing trends highlight the need for the government to prioritize "swift, bold investments in digitalization, workforce development, and core infrastructure."

"COVID-19 has created new opportunities for Georgia to stimulate its economic recovery and long-term resilience through deepening integration with global supply chains," the experts wrote.

"To capitalize, Georgia must focus the next phase of policy on positioning high-potential sectors to compete—high-value/low-volume manufacturing segments and select business services—and creating and enabling environments for local businesses to adapt."

"Invest in alternative training and expand on-the-job upskilling as well as deeper employer engagement in workforce development," the report recommended, adding that the government should evaluate business interest in alternative training programs such as apprenticeships, termed subsidies for new hires, and funding for training.

The experts also focused on the need to accelerate the digitalization process in the country.

"Support demand-side development through an incentives program enabling digital upgrades for business including access to financing and consultancy services, as well as incentives to encourage participation in ICT-related training," the report stated.

ACTION TO AID RECOVERY

The USAID Economic Governance Program is already working on several reforms and initiatives that follow the experts' recommendations and address hard-hit sectors.

For instance, the Program's work on capital markets reform—including the new Investment Funds Law and support

for the reform of the Foreign Exchange and money markets—aligns with the experts' recommendation to enable business investment. It also reinforces the recommendation that the government and the NBG should continue measures to facilitate the broadening and deepening of capital markets for lari-denominated financial assets.

"The Program's support for insolvency reform underscores the experts' recommendation to enable the recycling of valuable assets back into the economy," Beruashvili said. "In addition, the Program's work to support the e-commerce policy development reinforces the recommendation to support and accelerate digitalization in the economy."

A Think Tank Consultative Group was created as a platform that brings together economic analysts and government officials to discuss the policy reform process. The platform encourages dialogue on the implications of different policy options before reforms are initiated, resulting in improved policy outcomes.

Helping business associations and civil society organizations become more sustainable and better able to advocate for the needs of their members has also been a part of the Program's work.

"The Program provided technical assistance to help several tourism industry-based associations create an alliance to advocate for the reforms and policies needed to save the industry following the pandemic," Beruashvili said.

The Program is working closely with civil society organizations, in particular those devoted to helping women and the youth, emphasizing sustainability. One of its main goals is to promote women and youth empowerment through education. The Program developed an online summer school for university students devoted to enhancing young people's knowledge about ongoing economic reforms, advocacy, and lawmaking, encouraging students to participate in public-private dialogue about economic reforms.

In addition, a collaboration with the Georgian Women Auditors and Lawyers

Association has been launched to raise awareness among women about economic issues and to encourage participation in advocacy activities to increase the role of women in economic policy planning and implementation.

"CSOs [civil-society organizations] should play a powerful role supporting and advocating for their target audiences, including women. The Program is helping CSOs obtain the skills and training they need to help women and young people more actively participate in policy-making processes, and better understand how policy affects their lives," Beruashvili said.

"The pandemic has highlighted the vulnerabilities in Georgia's economy. It has also underscored the need for a systemic approach to analyze and address challenges to sustainable growth—and engage those who are most affected. Our Program is working closely with the government and private sector to help develop business-friendly, sustainable solutions that will help the Georgian economy emerge stronger from the crisis."

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NAZI BERIDZE

For a while during the mid-2010s, hazelnuts were Georgia's star agricultural product, on track to outstrip even wine—the country's calling card—in exports, generating \$183 million in revenue in 2014 and bringing the two export categories neck and neck in value.

Georgia was also occasionally among the top five largest global hazelnut exporters. But in 2015-16, reports began creeping in that the Asian brown marmorated stink bug was beginning to wreak havoc in the country's western, hazelnut-growing regions, and that it might chew through the harvest of the precious nut, a crop that supports some 50,000 growers and processors in the country. By 2018, the hazelnut harvest had reached a historic low.

But this year, many are already breathing a sigh of relief. The August-late November harvest data show that nearly 11,000 tonnes of hazelnuts were exported, up a whopping 37% over the same period in 2019, generating \$59.3 million in revenue (+47% y/y), compared to last year's paltry \$38.8 million. Hazelnut growers predict this year's total exports will exceed 50,000 tonnes, and given that despite the pandemic, prices for nuts are up 7% as well, the final year-end data are likely to reflect a bumper year.

A GROUP EFFORT

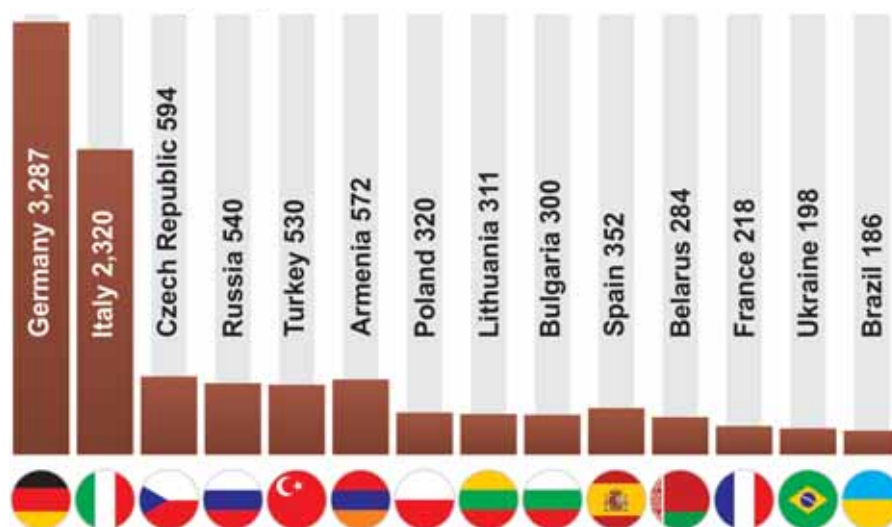
The Georgian Hazelnut Growers Association, which has more than 25,000 hazelnut-farmer members and covers at least half of all hazelnut production in the country, did much of the heavy lifting in recent years, in partnership with USAID and the Georgian Ministry of Agriculture, to put the industry back on its feet.

The Executive Director of the Geor- ►►

Georgian hazelnuts strike back

– the near demise and rebirth of Georgia's second favorite crop

NEXT TO WINE, HAZELNUTS ARE ONE OF GEORGIA'S MOST IMPORTANT CROPS. BUT BESIEGED BY THE STINK BUG AND OTHER PLANT DISEASES, THE PRIZED NUT HAS HAD A HARD TIME OF LATE, UNTIL THIS YEAR'S HARVEST



About 71% of Georgian hazelnuts were exported to EU markets during the harvest season.

Data reflects tons of hazelnut exports for August to end-November 2020

Source: Ministry of Agriculture

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► gian Hazelnut Growers Association, Giorgi Todua, told Investor.ge that work on combating both the stink bug and fungal diseases began back in 2017, when the group had just several hundred farmers.

By joining, hazelnut farmers are given access to the association's agronomists, who consult with farmers on a daily basis throughout the season, giving recommendations and monitoring work in hazelnut orchards. In addition to agronomist services, members of the association enjoy other benefits, including soil research, provision of pest-control equipment, crop sorting/drying/storage services, and others. The association also provides members with access to financing to facilitate the purchase of the necessary fertilizers, pesticides and inventory.

Most importantly, the association

has taught its farmers proper techniques to administer pesticides and to work out timetables for spraying, important because pest control is carried out six times a year, both against the stink bug and other plant diseases.

"Membership comes with responsibility, however," Todua notes. "If a farmer is slacking and not keeping up their end of the bargain, [the farmer is] refused further services and assistance. This is in line with the association's 'group-work' method, which allows members to share their practical experience and find ways to solve problems together. Each group has a lead farmer."

In 2019, the Association launched the Hazelnut Crop Survival Program, which is funded by the state, the United States Agency for International Development (USAID/Georgia), Ferrero, and the CNFA Georgian Nut Sector Develop-

ment Project (G-HIP).

"It's at this point that we expanded to the 25,000 [members] we are now, with our partners helping the association purchase the technical equipment and pesticides it needed," Todua explains.

With the program, 14,000 farmers joined the association and were given 1,450 spraying machines free of charge. The successful implementation of the program has led to both a qualitative improvement of the hazelnut crop, Todua says, as well as an increase in hectare yields and, consequently, an increase in farmers' incomes.

The program continued into 2020, during which the association was joined by an additional 10,000 hazelnut-producing farmers who were given 910 pest control units, which had a significant impact on the quality and quantity of hazelnuts produced in the country. The

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Hazelnut farmers have to spray their crop six times a year to prevent stink bug infestations and other diseases

volume of the harvest exceeded the projected 50,000 tons, thus Georgia regained its position on the world market prior to the stink bug epidemic.

FUTURE FRUIT

And while the future of hazelnuts is now looking rosier than it did a year ago, the Association still has quite a bit of work cut out for it.

One problem to be tackled is low yields.

“Currently, hazelnuts are cultivated in Georgia on a total area of 72,000 hectares, of which about 40,000 hectares are orchards with an area of 0.5 to 1 hectare. The yield of these types of orchards is below 450-500 kg. Our goal is to increase the average yield of these small orchards to 1,500 kg over the next 3 years,” Todua says, noting that “if this goal is achieved, the Georgian hazelnut sector will be able to double the volume of exported hazelnuts and significantly improve the [crop’s] average quality, which will bring additional annual income of 1 billion GEL to Georgian farmers and the country’s economy.”

Another issue the Association wants to address is waste and damaged crops. The Association says the share of crop damaged due to the use of primitive technologies in the post-processing stages of the hazelnut harvest and the improper storage reaches 25% of the total crop

volume, accounting for tens of millions of GEL losses every year.

Improving the image of Georgian hazelnuts abroad is another goal on the to-do list. Due to the current processing and sales cycle, there is no proper traceability, meaning batch problems cannot be identified and contained in a timely manner, which affects the entire sector. This leads to distrust toward Georgian hazelnuts, causing low competitiveness and lower market prices.

To solve this issue, the Georgian Hazelnut Growers Association has developed a hazelnut traceability mechanism, which involves standardizing crop processing and sales with the help of drying and warehousing centers. Each center provides for the drying of 1,000 tons of hazelnuts and storing 500 tons of hazelnuts. The quality management is done by modern quality management laboratories located in the centers. In these centers, each batch of hazelnuts is registered and given quality and origin certificates.

MOVE OVER, ITALY

First Deputy Minister of Environmental Protection and Agriculture Giorgi Khanishvili also weighed in on this year’s harvest and the positive trends in the industry.

Khanishvili highlighted that the main problem has not been the stink bug inva-

sion itself, but that the sector was slow to react to it.

“Since the state began developing programs in 2017, farmers have now realized that previous measures to fight the stink bug are not enough. Fortunately, the government has gained the trust of the farmers, and has developed a policy and strategy that has withstood the test of years.”

Khanishvili says that Georgia also has serious prospects in the hazelnut processing industry.

“We have the potential to create a processing environment here in Georgia that would match world standards. With the exception of pest-control chemicals, all other parts of the production depend on local resources.

Thus, the added value that will be created is macroeconomically significant. The 14-million-dollar increase in hazelnut exports has benefited the country’s economy and attracted large foreign exchange resources. The increase is very important for residents of western Georgia after years of low income due to poor harvest of hazelnuts.”

Georgia already ranks high on the list of hazelnut producing nations, ranking within the top five in recent years, with Turkey as the undisputed leader, followed by Italy and Azerbaijan. But the government has more ambitious plans for Georgia: “In the coming years, we have the prospect of being the second largest producer of hazelnuts in the world after Turkey. This is a three-to-four-year plan. We have two state programs: one aims to increase hazelnut yields on the farms, the other targets cultivation of high-quality and efficient hazelnut varieties,” says Khanishvili, a sentiment supported by the Georgian Hazelnut Growers Association’s Todua: “if farmers do their best to compete with Italy, we could be harvesting up to 100,000 tons by 2023!”



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Eko Svanidze

Senior Associate,
Corporate & Labour

Amendments to the Labour Code of Georgia -

*further advancements
towards employee protection*

Georgia's Labour Code, adopted back in 2010 as a part of major reforms aimed at improving the investment climate in the country, has been recently further improved by the latest amendments that came into force on 6th of October 2020.

The initial 2010 edition was primarily based on the principle of freedom of contract, thus providing a broad avenue for interpretation and soft hiring-firing policies.

To counterbalance employer discretion, Georgian courts have consistently pursued a path of protecting employees to the best extent possible through creative reasoning to support judgements in labor cases, culminating in what has become a mock phrase: 'the employee is always right'.

On the other hand, the 2010 edition of the code has been heavily criticized by international think tanks who considered it too 'employer friendly', allowing for the abuse of employee rights and discrimination.

In response to the above, the first major reform aimed

at improving employee status, as well as providing protection against unfair treatment and discrimination in the workplace, was initiated in 2013 and resulted in a package of amendments to the Labour Code in June of the same year. However, as evidenced by the growing number of labor law disputes since the reform, certain problems have persisted.

The current amendments are a logical continuation of the 2013 revision and adopted with the aim to further approximate Georgia's labor Code with requirements imposed by the DCFTA (Deep and Comprehensive Free Trade Agreement with the EU), as well as the European Union Association Agreement, therefore aiming to better protect employees. The 2020 amendments were initiated for discussion by the parliament of Georgia on April 27, 2020 and swiftly went through all three readings and promulgation stage within four months, and coming into force in early October 2020. The cornerstone novelties introduced by the 2020 amendments are as follows:

✓ Regulations prohibiting discrimination have been significantly broadened - there is no longer an exhaustive list of protected classes but rather an open ended one. Discrimination is prohibited at any stage of employment, including, but not limited to the pre-employment stage, as well as upon promotion, termination, etc. The obligation to provide equal pay has been introduced, and the principle of 'Reasonable Adjustment' has also been recognized, obliging the employer to, where possible, adjust its practices to accommodate people with disabilities, temporary/permanent medical conditions and so on. Most notably, in the case of a discrimination claim, the burden of proof shall rest upon the employer.

✓ Previously deregulated types of work, namely part-time work and internships, are now regulated. Part time work is encouraged, while discri-

mination based on part-time employment is explicitly prohibited. Internships have been restricted to 6 months in case it is unpaid and up to a year in case it is paid. Consecutive/multiple unpaid internships by a single employer are not allowed and the employer is restricted from hiring a trainee instead of a previously employed person.

✓ Employers are now obliged to 'timesheet' its employees. In essence, after the relevant rules come into force (January 1, 2021), the employer shall be obliged to record working hours of employees on a monthly basis and this timesheet shall serve as the basis for payment of overtime work. The revised Labour Code now requires that overtime work compensation be paid together with salary payment immediately following the overtime (or, if additional time in lieu is given - within 4 weeks). Additional protection is offered to employees that work nighttime hours, in particular the employer is obliged, at their own expense, to conduct medical examinations of such employee on a regular basis, should the employee so request.

✓ Enterprise transfer regulation - termination of employment merely due to the fact that the enterprise is being alienated/transferred to another owner is explicitly prohibited. Most importantly, this covers not only share transfer, but transfer of business or assets. Should either occur, the employees follow the enterprise transferred and are to be relevantly informed regarding specifics of such transfer in advance, including, inter alia, any and all effects that such a transfer may have upon their employment terms and conditions. Quite interestingly, the Georgian court ruled to the same effect even prior to the introduction of this regime, so the codification of this approach was not entirely unexpected.

✓ In the event a particular employer permanently employs above 50 people, ensuring information exchange and consultation with duly elected employee representatives is now mandatory. Should that be the case, employees have an option to either represent themselves through an internal labor union or, if such is not available, through a specifically elected authorized employee representative(s). At its core, this amendment is aimed at strengthening employee unification in sectors that were traditionally uninvolved in union activity (e.g. office workers). The employer is obliged to regularly inform the employee representative(s) of the core issues related to the activity of the enterprise, including, among others, the economic state of the enterprise and its estimated development, any issues that might affect employees' pay or other terms of employment, any structural changes, etc. Such information is to be delivered reasonably in advance (at least 30 days). Should intended changes be found to affect employee interests, relevant information is to be delivered in writing to such extent as to allow the employees adequately analyze the issue.

✓ Increase in power of the Labour Inspection - Legal Entity of Public Law Labour Inspection,

Subordinate to the Ministry of IDPs, Labour, Health and Social Security, previously empowered to inspect and act on issues related to occupational and workplace safety, is now authorized to check compliance with any and all labour-related legal acts, as well as employment agreements. In particular, Labour Inspection shall be authorized to impose sanctions upon parties it finds them in breach of requirements imposed by the Labour Code (aside from compliance with the termination rules, which is left to the courts to decide). The amounts of sanctions vary based on the category of the employer (whether it is a private person or a company) and the volume of its annual turnover, ranging from a 200 GEL per offense up to 1000 GEL for non-specific defaults, whereas specific defaults, e.g. discrimination or forced labour warrant fines triple of the amounts of ordinary fines. A repeat offense within the same year also multiplies the possible sanction.

While it is evident that the 2020 amendments have been put in place with the aim of providing more safeguards to the employees, it remains open to debate whether or not the suggested instruments will prove effective.

In particular, the issue of the involvement of the Labour Inspection raises certain legitimate concerns, as to whether or not it shall be time and cost effective to process the complaints/applications filed by interested parties.

It is expected that the notion of equal pay may prove to be problematic in practice, as not many private sector employers have a distinct distribution of functions and job descriptions allowing for comparative analysis. Needless to say, such requirements are also sure to increase costs for employers - facilitation of professional advancement, introduction of the Reasonable Adjustment principle, time-sheeting obligations, etc. will most probably require the injection of additional funds within enterprises, which may be exceedingly challenging in the Covid-19 affected economy.

Overall, the intent of the legislator is clearly towards western standards of the labour law, aligning the Code toward best practices accepted in the developed countries.

As a result, employees shall enjoy better protection against possible mistreatment at work, thus resulting in a more committed and mutually beneficial relation with the employer, hopefully bringing the economy of Georgia to new heights as well.

Please apply for the professional advice prior to relying on the information given in this article. BLC and its team shall be ready and pleased to provide any information, legal advice and specific recommendations regarding the issues covered herein.

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TAMAR KHURTSIA

But Covid-19 and the necessity of maintaining social distancing have changed these habits for many, and likely for good—Georgian consumers are now actively buying produce online.

Despite the difficulties of the beginning of the lockdown, Soplidan.ge made the best of it, revamped the website and its offerings. Initially, the site offered some 15 products, largely regional spe-

cialty products, such as Gouda cheese from Tusheti, Kakhetian sunflower oil, churchkhela, village eggs and poultry. Now, the site offers more than 250 products, whose origins are visible, as are the identities of suppliers. Soplidan.ge now intends to launch a mobile application in the coming months.

Moving forward, Soplidan.ge is working to retain loyal customers—who are mostly young families—and provide them with information about new products, improved services and discounts through social media and websites.

Customer retention will be crucial for e-commerce grocery sites, the Georgian Farmers' Association report noted, as changing consumer behaviors over the long term is difficult, and at some point, consumers of Georgian farm products will be able to return to tasting cheeses while buying wines in person, and will no longer be daunted by the idea of going to the grocery store.

Marketer Giorgi Berechikidze says this is indeed a concern for the industry, as an eventual slowdown in the pandemic may entail another change in consumer behavior, moving from online shopping back to retail.

“Companies need to increase brand awareness in the online space, in which case businesses will be able to retain new customers and secure them on the list of loyal customers. While a short-term

The GFA study to assess the impact of Covid-19 on Georgian agriculture also found that more than 60% of farmers surveyed said sales fell due to the shutdown of the hospitality sector during the lockdown. And of the 177 farmers surveyed, only 14 farmers said they started looking for new key channels that they had not used before, and that these were mostly online platforms. At the same time, 49% said that they are ready to sell their products on online platforms.

reaction is needed to survive, a long-term view will make winners,” Berechikidze said.

Already some agricultural-product companies are seeing signs of this trend, and say online sales have fallen again since the more severe lockdown regulations were relaxed, including milk processing and cheese company Shirazi, which also experienced a boost in online sales during the initial lockdown period.

“During the lockdown period, I received 35 orders a day. Now, I receive up to five orders [a day]. In order to deliver products to the customer on the same day, I even acquired some scooters (motorcycles), but now they're sitting around unused. I spent a lot of money on online marketing, but still I've been unable to increase sales,” said Nikoloz Beniaidze, owner of Shirazi.

However, Berechikidze believes that investing in online marketing will still bring results for companies. In the long run, bold companies that invest ambitiously and timely in their online business are likely to emerge as market leaders. Brand awareness will increase,

and whether online or not, retail sales at markets will still increase, he says.

Nestan Mermanishvili, the GFA's Association Development Specialist of the Safety and Quality Investment in Livestock (SQIL) project funded by the U.S. Department of Agriculture, says most dairy and cheese industry sales are in crisis, but that producers have begun to move substantial portions of their business online.

“Industrial entrepreneurs supply their products to supermarkets, so during the pandemic, especially during the lockdown, they did not have problems in this area, and their brands are well known in the community. SMEs [small and medium-sized enterprises] began online sales during this period, but their knowledge and experience is very low in this regard”, said Mermanishvili.

The SQIL project is implemented by America-based company Land O'Lakes Venture37 in partnership of Georgian Farmers' Association that unites about 4,000 farmers across Georgia.

Shako Iosava, Marketing Manager at food delivery service Glovo, confirms that demand for agricultural products has increased significantly during the pandemic and quarantine period.

“Bread and eggs became the top-selling products. During this period especially, many agribusinesses were added to the Glovo platform. Sales in the food category in general increased by about 60% during the lockdown period. Of course, sales have declined since the lifting of the lockdown, but consumer demand remains high,” Iosava said.



Meet MIZ-MASK:



the electronic respirator startup killing Corona with UV

While shirts with cut-out cloth that can double as a face mask in times of need may seem fashionable, they're not functional. Nor are entire aquarium bowls replete with oxygen tanks. And though a face shield might present makeup stains, by itself it can't stop the relentless crusade of Covid-19.

But David Mizandari, founder of Georgian startup MIZ-MASK, claims he has an option that everyone can get behind – literally.

Already a proven innovator on Georgia's startup scene, the founder of *biletebi.ge* and a startup that aims to perfect the production of Georgia's woefully underproduced clay wine vessel, the *qvevri* (think, amber wine) via 3D printing, Mizandari told *Investor.ge* that when the coronavirus finally made its way to Georgia, his first thought was: What can I do to help out?

A graduate of Georgian Technical University in industrial power and engineering with extensive experience in the design of medical devices used to neutralize bio-hazards, it turned out there was a sizable amount he could do.

"There was a deficit of masks in the very beginning, and there were concerns about the efficacy of normal medical masks, particularly for people working on the front lines of the virus' offensive. I began researching the problem immediately. I assembled a mask prototype that uses UV light as its main weapon against the virus. There was nothing similar to what

I was doing on the market, so I took my project and submitted it to GITA's call for innovative startup ideas during the crisis, and won. My partner and I received 15,000 lari, and we went from there", Mizandari says.

127 versions and six months of work later, a working prototype was born, offering complete airborne threat protection to users, boasting six filtration steps, the ability to adapt to individual breathing rhythm and double N99+ standard air filtration.

The device is fully chargeable within just 1.5 hours, can run for six, and has already received a number of attestations to its efficacy, including from Tbilisi-based defence and personal protection equipment producer Delta in Tbilisi.

The US-built Lugar Laboratory has also given the green light to the mask after tests against industry standards with the strongest bacteria, and whose seal of approval effectively clears the mask for use in the US. The Institute of Optics has also determined that the device emits no UV light outside of the mask itself, important because the light frequency can damage the skin and eyes.

The design is so groundbreaking, Mizandari says, that a leading lab in the field, Nelson Labs, told Mizmask it was unable to offer a certificate of approval given that they had no testing protocol for the product.

Mizandari says similar approaches with UV light elsewhere have not worked up until now due to design issues.

"One problem that many companies have run into is that they use black filters with active carbon, which can stop much of the virus by absorbing it, but it doesn't kill them, making it necessary to sterilize the mask itself as well, and posing a risk."

Mizmask is sterilized constantly. To provide this functionality, Mizandari says, the Mizmask team worked tirelessly to choose the correct combination of the colored materials, filters and thickness, as well as polished aluminium that is able to reflect 85% of the UV light, sending the sterilizing beams throughout the entire device, wiping it clean of any and all biohazards.

PRODUCTION

Negotiations with potential manufacturers in Georgia are ongoing, as are talks with private investors, and Mizandari says he hopes to begin sales on the local market in mid of January 2021.

STC Delta will have a capacity of 500 units per day in the beginning.

The mask will be primarily targeted to first adapters, medical workers, and other public workers such as police officers, and individuals who are unable to work remotely. MIZ-MASK is currently trying to market the mask to the government as well – to border service employees, the military, bus drivers and so on.

The cost will be about \$149.

MIZ-MASK has been carrying on negotiations with US companies that deal in medical equipment as well, and is trying to begin production in the United States.

AFTER THE VIRUS

With several bio firms having already announced the end of phase three trials and vaccine efficacy rates beyond 90%, there is light at the end of the tunnel, and 2020 will, never fear, come to an end. The coronavirus will remain, but life will, hopefully, begin to approach normality by the end of 2021.

Mizandari says MIZ-MASK is not concerned about the end of the epidemic, however, from a business point of view, as the product will continue to have a variety of applications.

"The masks will still find a use. For example, in biodefense, in the military. All militaries should have such devices. Also, now we know that such black swan events can (and do) happen. There will be continuous demand, in case we should be faced with a similar event in the future."

Georgian aesthetic medicine firm Aptos receives U.S. FDA green light

Though many may have heard of Georgia through what are becoming household words such as khachapuri and Saperavi, the Georgian sciences in recent years have been doing their part to get the word out about Georgia as well.

Georgian aesthetic-medicine firm Aptos is continuing the trend by having recently received permission from the U.S. Food and Drug Administration (FDA) to begin distribution of its unique surgical sutures that offer an alternative to invasive cosmetic surgeries to tighten and lift the face and to chemical methods of rejuvenation.

"The idea to use surgical sutures has been around in the medical literature since around the late 1950s," Aptos Director George Sulamanidze told Investor.ge, "but the potential was only harvested when my father, Marlen Sulmanidze, was able to create a reliable, effective application for them in aesthetic plastic surgery, by producing a thread in the 1990s with tiny embedded hooks which lightly snag the skin just below the surface, lifting it up."

The application process generally takes less than half an hour, does not require anaesthesia nor does it significantly alter the skin below, allowing for a drastic decrease in recovery time as compared to traditional surgical methods.

Sulmanidze's technique addressed two big problems in the aesthetic medicine industry: "One was that classic aesthetic medicine, up until that point, had offered just two main approaches—one surgical, one chemical. Both [are] rather drastic, and left open a niche for a more natural approach," Sulmanidze explains.

Another pain point to be addressed



THE APTOS THREAD LIFTING METHOD OFFERS A THIRD OPTION BETWEEN SURGICAL INTERVENTION AND CHEMICAL INJECTIONS. ALREADY WELL-ESTABLISHED ACROSS THE WORLD IN MORE THAN 70 COUNTRIES, APTOS IS NOW SETTING ITS EYE ON THE U.S. MARKET.

was that many cosmetic procedures are only appropriate for certain age groups, which left some patients without a suitable solution.

The first successful application of the thread was used by George Sulmanidze's father in 1996, in Russia, where the company's first factory was set up. Later, manufacturing plants were established in the U.S. (in 2001, in Anaheim, California), and in Italy as well.

Aptos is now building a factory in Georgia with European Bank for Reconstruction and Development (EBRD) financing and help from Enterprise Georgia, and is on track to be completed by February 2021. Quality control for all Aptos products produced globally is already carried out in Georgia.

A THREAD APART

Today, Aptos is the leader in its field, selling in 75 countries "despite a number of copycat companies that have sprouted up across the world," Sulamanidze notes, stressing that it is the "breadth and depth of our expertise, and the diversity of our product line that sets Aptos apart from competitors."

Aptos has two groups of products: absorbable, which disintegrate after 2 years, and nonabsorbable, which last four or five, but are unsuitable for repeat operations.

"Our competitors have been unable to replicate the strength and durability of our absorbable products, [for] which 1.5 years post-operation, more than 60% of the [suture's] diameter remains in the tissue. Compared to our Chinese competitors, their products disintegrate to a similar extent within just six months, while others



within a year," Sulamanidze says.

FDA APPROVAL

Aptos got the green light from the FDA this past September after five years of hard work.

"Being an American company would have made it easier. As a foreign company, it took us much investment, documentation and attention to our manufacturing process. We've been interested in the American market since 2001. My father and I flew there every three months, presenting all the time. Now that we have approval, we are debating whether to open our own office, or to go through a local partner."

After having brought Aptos through the process, George Sulamanidze recommends that Georgian companies looking to export to the U.S. find local partners and come up with an airtight business plan, for the importance of which he points to the fact that the EBRD has decided to sponsor Aptos and finance a nearly \$100,000 market-entry strategy for the company—only the third in Georgia for which the EBRD has ever done so.



Mikheil Lomtadze—the Georgian who became a Kazakh billionaire

KAZAKHSTAN'S MOST POPULAR MOBILE APP KASPI.KZ, OF WHICH LOMTADZE IS THE CO-FOUNDER, WAS ADMITTED TO THE LONDON STOCK EXCHANGE IN LATE OCTOBER, ACHIEVING A MARKET CAPITALIZATION OF \$6.5 BILLION ON ITS FIRST DAY OF CONDITIONAL TRADING THROUGH A DUAL LISTING ON THE LONDON STOCK EXCHANGE AND ASTANA INTERNATIONAL EXCHANGE.

SALLY WHITE

Mikheil Lomtadze can't be the only Georgian who can remember going out with his father during hard times to buy and sell goods to raise money for the family budget. He says he was the one to do the selling—he even enjoyed it.

However, not that many teenage Georgian traders have gone on to launch a \$6.5 billion company on the London Stock Exchange, becoming a multi-billionaire at age 45. That is what Lomtadze did in October with Kaspi.kz, Kazakhstan's top fintech group, of which he is founder and chairman.

The company's IPO, with the sale of 13 percent of the shares raising 900 million USD, was one of the largest-ever fintech floats on a European stock exchange. Kaspi.kz is at the forefront of digitalization in Kazakhstan. Unknown before it burst on the London Stock Market, it operates an ecosystem composed of three market-leading platforms: payments, marketplace and fintech, which are accessible via the Kaspi.kz Super App—the most popular mobile app in Kazakhstan.

Kaspi.kz earned \$515 million in net income on \$1.3 billion in revenue last year, and its pace of growth this year has quickened, helped by Covid-19 and new products. It has around a third of the consumer loan business—the largest market share in Kazakhstan—and 66 percent of digital payment volumes.

Announcing Kaspi.kz's 2020 Q3 results in mid-November, Lomtadze said that active users were up 68 percent over a year ago to reach 8.5 million, revenue was up by 32 percent and net income by 50 percent year-over-year, with the net income margin reaching 42.5 percent year-over-year.

That highly positive trend looks set to continue, Mikheil Lomtadze told investors: "Looking into 2021 we will continually add new and innovative digital products and services to our Kaspi.kz Super App. Kaspi Travel will be launched imminently and we're rapidly rolling out Kaspi Pay and Kaspi QR, our QR contactless payments solution."

Kaspi is also diversifying geographically, acquiring platforms in Azerbaijan (which has the fourth largest economy in the CIS and high mobile penetration)

and Estonia. Company press releases refer to opportunities "across Central Asia and the Caucasus."

International ratings agency Moody's, liking the look of Kaspi.kz and its management, recently upped its rating of Kaspi.kz. The scope for growth is huge, states Moody's in its report, since the 74 million in Central Asia are mainly unbanked and are highly distrustful of the formal banking structure. Consumer finance accounted for only 6.7 percent of Kazakh GDP in 2019 compared to 8.7 percent in Turkey and 23.7 percent in China.

On growth and Moody's improved outlook, Lomtadze commented: "As we continue to develop new innovative products and services and play a major role in Kazakhstan's digital transformation, we expect our relevance to consumers and merchants to increase further, with Kaspi.kz continuing to see strong revenue and profitability growth into the medium-term."

International investors never expected to see a company of this caliber emerging from Kazakhstan, an emerging market which has been priming investors for a deluge of old-world privatizations from among its mining, aviation and telecommunications sectors. For international emerging-market investors looking for something cheaper than the U.S.'s NASDAQ market, and which promised that rare reward, a dividend, Christmas has come early.

The first clue hinting of its future success was that Kaspi.kz had been mentored by one of the oldest and internationally most-respected funds in the CIS region, Moscow-based Baring Vostok, which has a strong record in fintech and technology, according to Eurasia consultants, Marco-Advisory. It was also where Lomtadze spent much of his time. Kaspi was a smallish, basic Kazakh bank catering mainly to a mix of small- to mid-sized companies looking for loans. Then, in 2006 Baring Vostok acquired a majority stake and installed Lomtadze as CEO.

Lomtadze had arrived at Baring Vostok after building a career in Tbilisi. He had started working and consulting on projects very early. While still a student at the European School of Management, he was hired to join Gia Bazgadze and Konstantine Rizhinash-

vilil's Georgian Consulting Group (now part of international accounting and consultancy group Ernst & Young) at age 20 and subsequently took charge of its auditing business.

Lomtadze then spent time studying for an MBA at Harvard, graduating in the class of 2002, before moving on to Baring Vostok in Russia, where he quickly became a partner. There he managed investments in financial technology companies, motor leasing and banking across the region from board positions—all sectors in which he is now developing e-businesses. In 2006, he moved to Kaspi and took it the fintech route (Kaspi.kz now owns Kaspi Bank.)

Lomtadze comes across, say former colleagues at Ernst & Young, as very determined, exceptionally hard-working, well organized and always on the quest for new ideas, amiable and soft-spoken. But as his track record shows, Lomtadze is also extremely tough. Once at Kaspi, as he told Euromoney magazine, he "basically fired everybody" and rebuilt the management team from scratch. Lomtadze had working with him a fellow director, and now chairman, Kazakh retailer Vyacheslav Kim, who had invested in Kaspi in the early stages.

It was Kim who was responsible for Lomtadze's large stake in Kaspi.kz. Having bought out the 30 percent owned by Kazakh President Nursultan Nazarbayev's nephew in 2018, removing political links, as Bloomberg suggests, in preparation for the IPO, Kim gave 20 percent to Lomtadze as a "non-cash consideration" to boost his holding. This has never been expanded on, says Bloomberg, but it made him one of the company's largest shareholders alongside Kim and Baring Vostok. Thus, he had even more incentive to grow Kaspi.kz, in which he still has, even post-directors' sales at the IPO, around 25 percent of shares.

The board's expansionary approach, as he has stated to Euromoney and has repeated on Kaspi.kz online sites, is: "We have a very clear goal to build our competitive advantage on speed of providing products and services, and constant disruption through innovation. You can achieve this only by being data-driven and technically advanced. We felt that would be our biggest source of competitive advantage in the years to come."

Lomtadze's management success with Kaspi.kz has won recognition and he has repeatedly been applauded in local and international surveys, such as those by international consultants PwC, as the country's leading or the best financier, investor, manager and business leader. PwC cited his "adaptability, strategic vision and customer focus."

Lomtadze has won respect, too, for his philanthropy. Apart from support for WWII veterans, he has led contributions and campaigns for children's medical treatment equipment, children with autism, and education to increase financial literacy countrywide.

Informality seems to be his keynote, not just (visibly) in his presentations. As mentioned even in his Wikipedia entry, he "constantly appears ... in dark clothes and red sneakers." Though never, anywhere, is there any reference to non-work interests.

What's next? Lomtadze remains focused on what seems to be his adopted country. To InBusiness.KZ he said: "I have a simple goal—for Kaspi.kz and Kazakhstan to appear on the innovative map of the world."

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Moedani, a place to ____: revitalizing Tbilisi's Avlabari district

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Avlabari has long been one of Tbilisi's neglected jewels, experiencing little of the revitalization that many of Tbilisi's even more suburban and less exotic districts have been privileged to in recent years.

Development company Moedani wants to put an end to the trend, and give Avlabari the chance at a vibrant urban life it deserves—it was, after all, a former center of Tbilisi's cultural and economic life. Moedani plans to do so by enclosing a sprawling square with four low-rise buildings with 220 apartments, as well as a 100-room hotel in a fifth building. The ground level will

be for commercial spaces—restaurants, bars, cafes, galleries, coworking spaces, and other businesses that the Moedani administration will ‘curate.’

The businesses ‘let into’ the square will be selected to represent a broad array of cuisines and entertainment, because “the objective is not to simply build another housing development, but to create a new go-to location in the city, to transplant the soul of an Italian-style piazza into Tbilisi,” Moedani Director Vakhtang Gurgeniidze told Investor.ge, noting that a thorough study of the market conducted by the developer showed that there were few if any developments in Tbilisi that have combined residential and commercial spaces in a seamless,

aesthetically pleasing manner.

Moedani chose to construct low-rise buildings to ensure that the development will blend in with the rest of the district and not distort the architecture and atmosphere of Old Tbilisi.

The name of the development project reflects the spirit of what it is trying to accomplish: Moedani in Georgian means 'square.' In Avlabari, historically a multicultural and central part of Tbilisi, squares were the meeting grounds for people from all parts of the city. Moedani thus wants to return this old aspect of Avlabari life, only in a modern context.

Located in the heart of the district on Nikifore Irbakhi Street near Avlabari metro station, the area is convenient for both vehicle and pedestrian access, and located within walking distance to both the Holy Trinity Cathedral [Sameba]

and one of Tbilisi's nightlife districts, Shardeni Street.

Entrance into the square will be free and open to the public, but measures will be in place to ensure security and peace of mind for residents as well.

Apartments have proven popular with investors, which have accounted for about 70% of purchasers, Gurgенidze told Investor.ge, while another 30% have bought apartments as places of residence.

"Interest in the development and its apartments has been soaring despite the coronavirus crisis," Moedani Director Vakhtang Gurgенidze says, noting "this just goes to show that there was pent-up demand for new Avlabari offerings."

"Sales are proceeding far better than we predicted. We even broke the goals we set for ourselves before the pandemic set in—a clear indicator that new ap-

proaches to living spaces in Tbilisi are more than in demand," Gurgенidze says, commenting on the development company's decision to reopen its sales office during these uncertain times.

Few purchasers made use of the Georgian government's offer to subsidize the interest rate on the purchase of new apartments during the crisis. This was due to the fact that Moedani introduced new purchase plans to the Tbilisi real estate market:

"Purchasers are able to buy our apartments on truly special, unprecedented terms. They pay just 20% up front in the first two years, and then another 80% after the flat is handed over, payable either in full or through a partner bank."

Construction of the project is scheduled to be completed by the summer of 2022.





Prospects and public concerns in the pension fund's new investment guidelines

ANA MEZVRISHVILI

The Georgian Pension Agency released a long-awaited document at the end of September, spelling out the process by which the fund will determine how to invest its resources, and how to best protect its contributors' hard-earned cash.

The document was developed over the period of a year and a half by the Investment Council of the Pension Agency, which says the ultimate goal of the guidelines is to combat inflation.

The agency, which as of early October is managing about 1.1 billion GEL in funds, has about 70% of its assets in deposit certificates with an effective annual interest rate of 11.1% and a term of five years.

This is still a ways off: until 2023, the Pension Agency will only invest in low-risk investment portfolios, which at this stage implies mostly commercial bank deposits.

Come 2023, however, pension plan enrollees will be able to exercise their risk appetite, and choose between low, medium and high-risk portfolios, defined by the new guidelines.

The document has also set out a so-called "three-line protection principle," detailing how the fund's resources are protected from excess turbulence and bad decision-making.

Goga Melikidze, Senior Investment Officer of the Investment Council of the Pension Agency, defines the three lines

of risk control and protection as follows:

"The first line is the investment service itself, which is responsible for investment and the management of operational risks arising in the process. The second line is the chief risk officer, who independently, continuously checks the compliance of the investment portfolio and transactions, and the audit service, as the third line of protection, gives a completely independent assurance that the investment office and the chief risk officer are working properly," says Melikidze.

The document also sets out the requirements to be met by financial institutions or financial instruments in which citizens' savings can be invested.

For example, the funds accumulated in the pension fund may not be invested in a company without a specific international rating and financial instruments must have a credit rating assigned by at least one global rating agency (Standard & Poor's, Moody's, Fitch Ratings, Scope Ratings).

In addition to the various layers of internal control, in 2021 the Agency is introducing a "specialized depository" which will be responsible for overseeing investment activities and ensuring the safekeeping of pension assets.

According to the state procurement website, three financial institutions are competing for the status of the specialized depository: TBC Bank, Bank of Georgia and

the Central Depository of Armenia.

The former director of the Pension Agency, Levon Surguladze, who resigned last year saying he would "pray for the fund" and whose history includes top positions in Wall Street at major international banks such as Deutsche Bank, Barclays and UBS running funds and heading risk control, has a different take on the risk-control mechanisms specified in the document, telling Investor.ge that the investment policy document "completely confuses the functions of risk control."

"Initially, the structure of the Pension Agency provided for independent risk-control mechanisms and it was approved by the Supervisory Board, but unfortunately this structure has been completely changed and practically abolished. This document doesn't reflect independent risk control at all. On the contrary, it mentions that it has become dependent under one vertical.

This is absolutely impermissible and does not comply with any international standards," Surguladze says, noting it would be better for the specialized depository to act as the agency's central depository, since the creation of a separate department will only create additional expenses for the pension fund.

"I think this extra expense for the pension fund will be an unnecessary and pointless expense that will burn the fund, and therefore have to be paid out of people's pocket," Surguladze explains.

Other experts question the document's ability to gain the trust of the population, due to concerns about high inflation and currency risks characteristic of the Georgian economy.

A lack of predictability in the investment environment makes it difficult to estimate an expected return, some experts say, noting this question of reliability will become especially relevant once consumers face the choice (from 2023) of where to place their savings. Moreover, for this scheme to work, the population needs to enter this phase of the pension scheme with a much higher degree of financial awareness in order to properly understand the risks associated with each portfolio and make an informed decision.

Therefore, the Pension Agency and the National Bank will have an important role in this process in providing as much information as possible to pension-fund enrollees and winning public trust.



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Elene Chkheidze, Cambridge Advanced English student "I absolutely loved both the online and face-to-face part of our course. Not only was it extremely useful for the CAE exam but it helped me improve my English in general. The lessons were a great fun and I enjoyed every single one of them. I especially liked the friendly atmosphere and interesting discussions we always had. The online lessons were more practical as we didn't have to spend time commuting and it made doing online exercises much easier and quicker."

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WORK FROM GEORGIA & BE PART OF
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Remotely from Georgia – are the digital nomads flocking yet?

WHEN FIRST PRESENTED, REMOTELY FROM GEORGIA WAS TOUTED AS A STRATEGY TO MAKE UP FOR FALLEN TOURIST NUMBERS. BUT HOW MANY DIGITAL NOMADS, INDIVIDUAL ENTREPRENEURS AND REMOTE WORKERS HAVE ACTUALLY ENTERED GEORGIA ON THE PROGRAM, AND WHAT HAS BEEN THEIR EXPERIENCE SO FAR?

ANDREW BRAUN

Juan Carlos Restrepo Cantor, originally from Colombia, was working in Norway on an exchange from his university in Iceland when COVID-19 hit. With the pandemic complicating his Norwegian visa, he started looking for digital nomad-friendly countries. He first settled on Vietnam, but after the pandemic cut that route off, he started looking elsewhere. That's when Georgia caught his attention.

"I was between Georgia and Ukraine," Restrepo says, "but my dorm friends in Norway (who were Russian and Azerbaijani) told me wonderful things about Georgian hospitality and the overall lifestyle. Then I read about the Remotely from Georgia announcement by the Ministry of Economic Development, and that was it."

Restrepo's story mirrors a lot of the twists and turns that a lot of international remote workers have been dealing with since the pandemic started. Travel restrictions, visa expirations, and rapidly-changing public health situations have made living abroad considerably more complex than it once was.

Georgia is no exception, as the borders have been closed for most of 2020. That's where Remotely from Georgia comes in.

WHAT IS REMOTELY FROM GEORGIA?

Remotely from Georgia, run by the Georgian National Tourism Administration (GNTA) and the Ministry of Economic and Sustainable Development (MOESD), allows remote workers to pass the otherwise closed borders with an entry permit—notably not a visa. The only major condition is that they must earn at least \$2,000 a month. Given that Georgia grants a year of visa-free stay to around 95 countries, this scheme has proven particularly attractive to people looking for a long-term home base during the pandemic.

This was precisely the case for Jack Howard, a digital designer from Australia, who had been planning a bike trip from Ireland to India with his partner when the pandemic hit. "I researched all our options for visas," he says, "but Georgia's program really stood out to me for its simplicity, and the fact that we read [that] expats and nomads online speak so highly of the country."

HOW DOES REMOTELY FROM GEORGIA WORK?

Everyone visiting Georgia through the Remotely from Georgia program goes through the same basic process:

1. Fill out the official application form at registration.gov.ge.

2. Get an approval, rejection, or follow-up asking for more information.

3. Enter Georgia using the documents provided.

4. Quarantine for 8 (or more) days in a government-approved quarantine hotel.

5. Once quarantine is over, visitors are free to (safely!) enjoy Georgia for as long as their visa allows.

Most applicants feel the process is fairly easy to get through, like Steve Avila, an American who came to Georgia on the program. "Honestly, it's a very straightforward process," he says. "You just submit the documents they ask for and that's it. I got notified less than ten days later."

IS REMOTELY FROM GEORGIA MAKING A DIFFERENCE?

Border closures due to the pandemic have decimated Georgia's previously booming tourism sector: compared to 2019, the first nine months of 2020 saw over a 77% decrease in international visitors, according to the GNTA.

Remotely from Georgia is intended to open up travel specifically for individuals with higher spending power, who, as the government press release says, "will have the means and the opportunity to travel to different parts of the country with their family members, to make use of various services, and to get acquainted with

the local culture and cuisine, which will facilitate the rapid recovery of our private sector."

So, how's it going? According to the Ministry Of Economy and Sustainable Development (MOESD), the program received 1,350 applications between August 27 and November 24, of which approximately 950 (70%) were approved and 150 (11%) were rejected. The remaining 250 applications are presumably being processed. Of the 950 approved applications, 417 applicants had entered Georgia as of November 24.

While this doesn't add up to much compared to previous tourism numbers, the length of each visit is likely to be substantially longer than the average 4.1-night stay of 2019 visitors. With participants often staying six-plus months in the country, their economic impact is likely to far exceed the average tourist, even if they participate in fewer traditional tourism activities.

Another minor boost is that the program allows incoming workers to bring a

plus-one or a family with them, meaning that the 950 approved applications actually includes more than 950 potential entrants.

People from almost 60 different countries have sent in applications. A complete list wasn't available, but, according to the GNTA, these are "among the top":

Nationality	% of Remotely from Georgia Applicants	% of 2019 Tourists <small>Statistics from GNTA.ge</small>
USA	17%	0.5%
United Kingdom	4%	0.4%
Ukraine	5%	2%
Canada	4%	.009%
Japan	6%	.01%

Additionally, In October, when only 800 applications had been submitted (versus the 1,350 currently submitted), the GNTA's figures listed two other countries

among the top five. It's unclear whether these countries remain there:

Nationality	% of Remotely from Georgia Applicants	% of 2019 Tourists <small>Statistics from GNTA.ge</small>
<u>Russia</u>	28%	20%
<u>Belarus</u>	6%	0.8%

While the bulk of visitors to Georgia generally come from the neighboring countries of Russia, Azerbaijan, Turkey, and Armenia, applicants to the Remotely from Georgia tend to be more spread-out. This seems to somewhat point to the program's success in increasing the ratio of high-value visitors entering Georgia. The U.S., for example, only made up 0.5% of visitors in 2019, but weighs in at 18% of participants of the Remotely from Georgia program, and the UK, Japan, and Canada have made similar gains.

Of visitors, 54% registered as self-employed, 29% said they are full-time remote



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► employees, and 17% listed themselves as entrepreneurs.

Many participants had been hoping to come to Georgia before the pandemic, so Remotely from Georgia is simply moving up their timelines and mitigating the Covid-19 tourism slump somewhat.

Others, like Restrepo and Howard, are first-time visitors specifically drawn here by the program, which points to the campaign's success in maintaining the country's travel profile.

Georgia was already on the map for the digital nomad community, though the 2020 Nomad Summit was pushed to 2021 due to the pandemic, and the Remotely from Georgia program has gotten numerous mentions in nomad groups and publications. All this makes the short-term economic stimulus only a part of the program's potential impact, as its help in maintaining awareness of Georgia as a travel destination may have post-pandemic payoffs.

Workers who spend over six months in Georgia will also technically be tax residents, and some may end up taking advantage of Georgia's business-friendly environment. This is certainly something Georgia could encourage by providing information on tax and business options, but in the meantime, this gap is largely being filled by private organizations like ExpatHub.ge and Sigma Group.

Tom Williams, a managing partner at ExpatHub, says the program "has definitely led to an influx of interest and new enquiries to our team at ExpatHub [<https://expathub.ge>] both from those who will be here temporarily, as well as many who are

actively considering Georgia's low cost of living, great hospitality and low taxes as an incentive to stay longer than the initial six to 12 months that they may have originally planned."

WHY GEORGIA?

Stefania Guglielmi, a travel blogger from Italy, had visited Tbilisi for a few months before the pandemic, then decided to return some time later on the Remotely from Georgia Program. "Georgia," she writes, "boasts some features that are particularly attractive for digital nomads. A low cost of living combined with a high quality of life, a low taxation rate, and a growing expat community are a few of them." While food, wine, and nature are big draws for conventional tourism, long-term remote workers also tend to look for infrastructure and accessibility.

David Morris, a traveler from the United States, was also looking for a good place to stay while the pandemic continued to limit world travel. "I was in Georgia three times last year and loved my experience," he says, "especially the wine and hospitable people. Knowing I could stay one year made this a simple decision. Ordinarily, I would avoid winter and not stay longer than three months, but these are not ordinary times."

Andie Eggmann, who came to Georgia with her husband and children, has been drawn to Georgia since before the pandemic, though. "I fell in love with Georgia on a trip exactly two years ago this October," she says. "At that time, my husband and I did not work remotely, but I loved Tbilisi as a city and it has always

been a dream of ours to live in the mountains and make wine."

Starting a business is an item on quite a few people's lists, like Edward Whitehead, a South African coming from Turkey. He's actually considering multiple ventures, including a Georgia-based IT consultancy firm and an app for cleaning services.

With Georgia ranking 7th overall in the World Bank's 2020 Ease of Doing Business rankings and 2nd in the world for ease of starting a business, it's easy to see why starting a business is one of the topics on remote workers' minds. Easy registration and favorable tax rates have made Georgia a destination even for those who might not have otherwise considered starting a business.

Caleb Fornari, who was accepted, but ended up not taking advantage of the program due to his Filipina girlfriend not being eligible, sees potential in the tech space. "I did hope to perhaps hire a few programmers and start a small office for my software business in Tbilisi," he says. "The tax rates are very reasonable, and while the talent pool is small, Georgia has some very dedicated and talented programmers."

For Igor Jovic, a digital nomad from Serbia, Georgia's other perks make doing business here an obvious choice. "For anyone who can live here for six-plus months per year, it makes no sense to NOT register a business here and become a tax resident in Georgia," he says. "A healthy expat scene, amazing scenery and food, and the best of all—how much you save in taxes... What's there not to like?"

CHALLENGES

As with any program, there have been a few issues with Remotely from Georgia—though most travelers see them as relatively minor.

By far, the most-cited issue was a lack of communication and information. Like many others, Tetiana Voloshyna recommends that applicants check Facebook groups for information, though she herself arrived before there was a lot of information available online. "They don't reply to your e-mails," she says, and calling isn't much better: "When they answer and hear a question in English, they hang up... or you reach them and ask a question, but they don't know the answer."

Though this is definitely an issue—and our attempts to contact Remotely from

Georgia through official channels also failed—it's not a dealbreaker. As Jack Howard says, "We did have some trouble getting responses from the official e-mail address, but that's pretty understandable seeing as there seems to have been a lot of interest and they would be receiving a pretty huge volume of enquiries."

Tom Williams agrees, citing the program's impressively fast rollout as a factor behind the information issues. "Overall," he says, "I consider the program to be successful but understaffed."

Another concern is the protocol for managing an entrant with a positive Covid-19 test. David Morris, the first (and so far, only) known case had a fairly negative experience, as he was moved to a hotel with poor living conditions, no heat, and no English-speaking staff. As he was asymptomatic, he requested a second test to check for a false positive, but it wasn't allowed.

Fortunately, his situation improved after he posted on social media and contacted his embassy, attracting the

notice of the GNTA. After being released, he remains upbeat and says he is "free now and already enjoying my time in Tbilisi." Whether or not the procedure has changed since Morris' experience, though, is not clear.

COVID-19 CONCERNS

When Remotely from Georgia opened applications in August, Georgia was seeing a few dozen cases of Covid-19 per day. By November, it was often exceeding 3,000.

This has probably impacted travelers' interest in the program, but those who spoke to Investor.ge were generally sanguine (though the sample is biased toward those who decided to enter). Jack Howard and his partner considered staying in Turkey, but ultimately decided that taking precautions in Georgia would be sufficient. "This winter will be tough for the whole region, not just Georgia," Howard says, "and we knew that coming in."

Igor Jovic also came, but a bit more reluctantly. "Since I already applied, got it

all planned out, I figured I might as well just fly out, but if these numbers were present at the application time, I'd probably have waited until spring."

THE FUTURE OF REMOTELY FROM GEORGIA

How long Remotely from Georgia runs depends on how long it's needed. Ideally, Georgia will be able to open its borders soon, and normal travel and tourism can resume.

Until then, the program will likely continue to appeal to travelers looking for open destinations in a restricted global travel environment. The willingness of the Georgian government to welcome long-term remote workers is also noteworthy, as it could potentially blossom into a more comprehensive scheme supporting this type of traveler. Remotely from Georgia has been a success so far, and regardless whether it changes form or simply shuts down after the borders reopen, it's certainly helped boost Georgia's reputation as a travel, work, and business destination.

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TBC Capital report on Georgian automotive sector points to sector growth on the horizon

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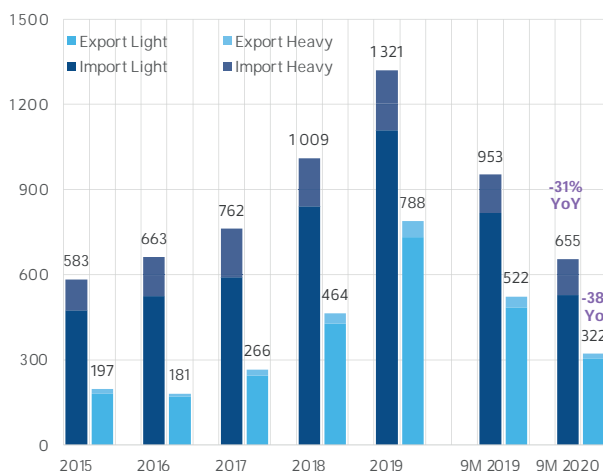
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Just before Covid hit, Georgia was the 6th largest re-exporter of light vehicles in the world due to its transit position in the South Caucasus offering routes into Armenia, Russia and Azerbaijan.

As borders across the world began to close this past spring and given the largely informal nature of the industry, the country's automotive sector began to shut down as well – and it wasn't just vehicle herders that were out of jobs.

In the first 9 months of 2020, imports and exports of light vehicles into Georgia fell by 31% and 37% respectively, TBC Capital's recently released Automotive Sector Market Watch reports.

TRADE OF LIGHT & HEAVY VEHICLES, USD MLN

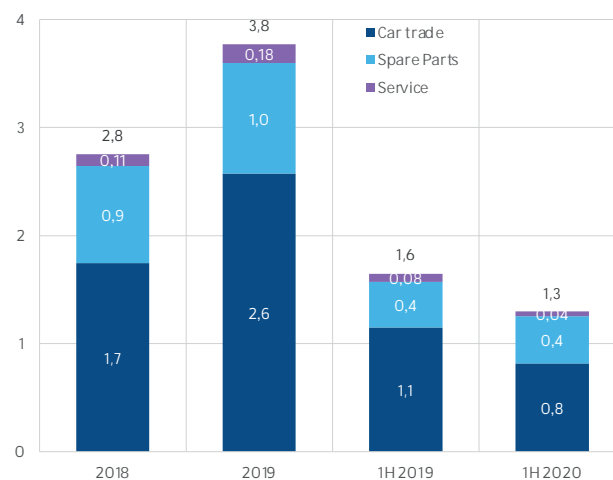


But it wasn't all due to Covid. Much of the dip is attributable to new customs regulations introduced in Armenia, which essentially shut down this export market for Georgia in 2020 after a brief one-time surge in demand at the end of 2019.

This was ultimately the primary reason for the drop in vehicle exports, of which 100% is re-export in Georgia.

Before the pandemic, the sub-category of car trade accounted for 68% of turnover in the automotive industry, while 27% was generated by the spare part trade and just 5% in car services.

TURNOVER BY SUB-CATEGORIES, GEL BN



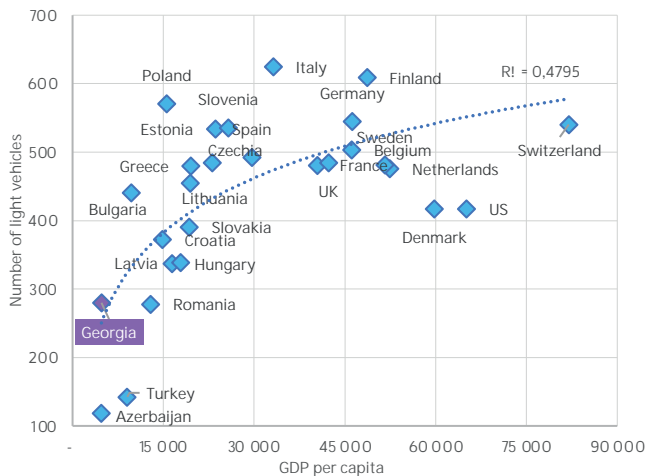
During the pandemic, it was the service sub-sector turnover that took the biggest dive, falling 71% in Q2 2020. Car trade fell by 48% in the same period, while sales of spare parts decreased just 17%.

However, expectations for real GDP and external trade growth starting in 2021 are optimistic for Georgia and the extended region, offering a positive outlook for the domestic automotive sector and the external trade of cars if the Armenian market is substituted.

Once the motor of the world economy gets revving again, there will be plenty of upside to look forward to in the country's automotive sector.

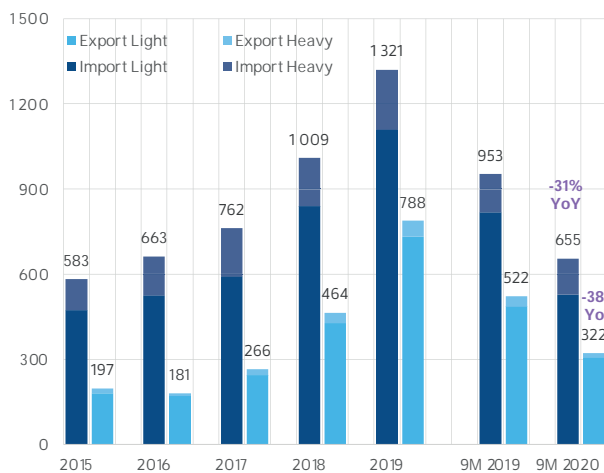
For starters, compared to regional countries and certainly compared to Europe, the number of light vehicles per inhabitants is low in Georgia the TBC Capital report points out, indicating the possibility for significant further penetration of sectoral growth.

NUMBER OF LIGHT VEHICLES PER 1,000 INHABITANTS*



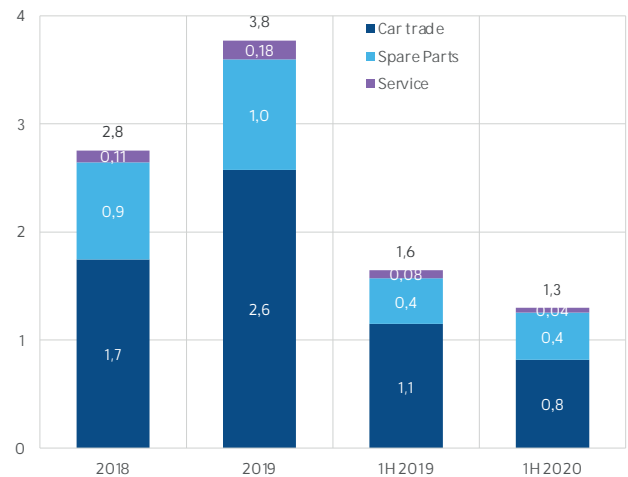
Another factor pointing to an uptick in the automotive industry in Georgia is the fact that 87% of cars in the country are more than 11 years old making Georgia's car fleet one of the oldest in Europe, and indicating an upside through substitution.

TRADE OF LIGHT & HEAVY VEHICLES, USD MLN



This phenomenon, the report points out, has already started to a degree. The average age of newly registered light vehicles has been decreasing since 2017, as the share of newly registered light vehicles that are 10 years and younger exceeds 80%.

TURNOVER BY SUB-CATEGORIES, GEL BN

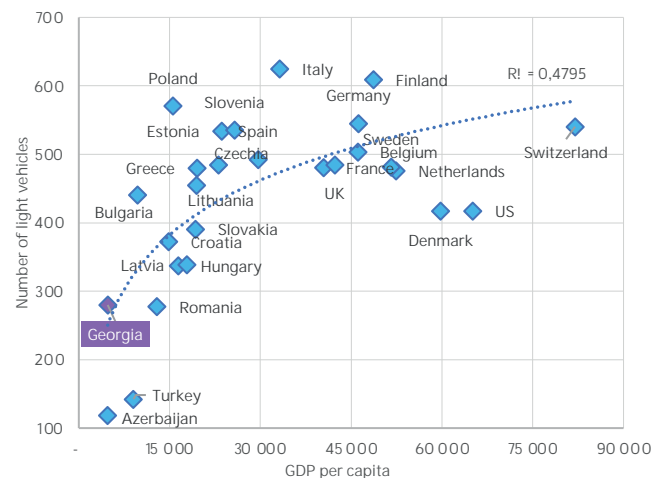


And yet a third indicator that there is considerably more growth to be had: the number of active drivers license holders exceeds the number of active registered vehicles, indicating an upside for local sales.

Global data too largely points at a sector on the mend. Major automotive company prices have been recovering steadily on the back of the news of the efficacy of the Pfizer vaccine, and prices for industry inputs such as aluminium, steel, copper and rubber have all passed the pre-Covid levels as of the end of October.

TBC Capital put together data on the most in-demand brands in Georgia in its report as well. With its highly demanded Prius and Camry models, Toyota has a leading position in new registrations of light vehicles,

NUMBER OF LIGHT VEHICLES PER 1,000 INHABITANTS*



however its decreasing share has been dragging down the share of hybrid light vehicles since 2018, while petroleum engines have been on the rise and in the first nine months of 2020 reached c. 52% of all newly registered vehicles.



USAID is partnering with Georgia to build a more student-centered education system that prepares young people to succeed as professionals and contribute as responsible citizens. USAID/Georgia

Georgian education system taking important steps forward with USAID support

As Georgian students across the country returned to school this September both online and in person, USAID accelerated work under its new Basic Education Program: a four-year initiative to promote student-centered education in primary grades across the country and help young people gain the knowledge, skills, and critical thinking needed to grow into successful professionals and engaged, responsible citizens.

Education reform is a priority under USAID's new strategy for supporting Georgia's development, a point stressed by USAID/Georgia Mission Director Peter Wiebler:

"A modern, student-centered education system will help Georgia advance toward all three key goals expressed in our new strategy - helping Georgia build resilience to malign influence, supporting citizen-centered democracy, and enabling economic growth that results in higher paying jobs for workers, families, and communities."

USAID developed the program in partnership with Georgia's Ministry of Education, Science, Culture, and Sport, designing activities to support the Government of Georgia's ongoing efforts to reform the country's education system.

This kind of partnership exemplifies USAID's new strategy of empowering Georgian society to lead its own development agenda.

"Both Georgia and the United States recognize that USAID assistance is an investment in Georgia's self-reliant future. Where possible, we are co-creating, cost-sharing, and co-investing with our Georgian partners, both public and private, to help Georgia create its own solutions to development challenges," Wiebler says.

ADVANCING STUDENT-CENTERED EDUCATION IN MORE THAN 2,000 SCHOOLS

In September, the program began a month-long "Training of Trainers" course for 112 trainers from eight partner universities and two NGOs. The course, conducted remotely to comply with COVID-19 regulations, gave the trainers access to student-centered education curricula and methodologies, and new skills to be transferred to teachers and school administrators across Georgia.

Over the next four years, the trainers will work with school administrators and primary grade teachers in 2,075 public schools across Georgia, helping design and deliver interactive curricula focused

on literacy, numeracy, problem solving, and critical thinking skills.

The trainers will also help schools develop instructional methods to better meet the educational needs of girls, ethnic minorities, and children with disabilities, ensuring that young people from all backgrounds have opportunities to contribute to Georgia's social and economic development.

In addition to helping primary grade students improve their literacy and numeracy skills, USAID is helping Georgia empower its emerging generation of active and responsible citizens.

EMPOWERING GEORGIA'S 'FUTURE GENERATION' TO BUILD A CITIZEN-CENTERED DEMOCRACY

Georgia is home to a vibrant civil society, but many communities lack platforms for civic engagement, especially among youth. For the country to continue advancing toward a citizen-centered democracy - one where communities are cohesive and resilient, and where all citizens are engaged in the development journey - a more civically active young generation is needed.

USAID is empowering Georgia's youth through its Momavlis Taoba ("Future Gen-

eration") program, a partnership with the Ministry of Education, Science, Culture and Sport of Georgia, civil society organizations, and education professionals that promotes civic education in schools, with a focus on rural communities.

In addition to advancing civic education curriculum development, the program provides small grants allowing student-led civics clubs to plan and implement their own community activities.

The program has been a resounding success. At the time of writing, it has supported civics education in roughly 60% of Georgia's secondary schools. Civics club members across the country have also made tangible impacts in their communities, including helping their neighbors stay healthy and safe during the COVID-19 pandemic.

STRENGTHENING THE RULE OF LAW THROUGH EDUCATION

Rule of Law is another major priority under USAID's new five-year development strategy for Georgia.

Georgia's next generation of lawyers will play an important role in building a truly independent, transparent, and accountable legal system that ensures equal rights protections for all Georgians. That's why support for the Rule of Law, and for enhanced legal education, is a key element of USAID's new development strategy for Georgia.

Despite the challenges of COVID-19, USAID has recently taken important steps to empower Georgia's future lawyers. With technical assistance from USAID's Promoting Rule of Law in Georgia (PROLoG) Program, Georgia's National Center

for Educational Quality Enhancement adopted new standards for the accreditation of law programs. The standards, which are aligned with EU best practices, increase the minimum knowledge and competencies that law students must acquire, resulting in a more qualified class of young lawyers.

In 2020, USAID funding made it possible for the Georgian Law Institute to develop professional internship programs at law schools in Batumi, Kutaisi, and Akhaltsikhe, providing law students in Georgia's regions the opportunity to gain valuable professional experience. USAID also empowered the next generation of lawyers through nationwide moot court competitions in legal ethics, client counseling, and administrative law, and by supporting human rights and legal ethics clinics that allowed 60 law students to develop their skills by working on real-life cases.

USAID also focuses on advancing legal ethics and human rights education in Georgian law schools. This year, PROLoG supported the establishment of a new human rights chair at Sulkhan-Saba Orbeliani Teaching University (SabaUni) in Tbilisi. SabaUni will now promote the teaching of human rights law in undergraduate and graduate programs in Georgia's regions, developing course curricula on anti-discrimination law, equal rights protection, and disability law. The new chair will complement the long-standing work of the human rights chair at Ilia State University and the legal ethics chair at New Vision University. USAID-supported institutions that have raised awareness and increased legal education standards at universities across Georgia.

CATALYZING ECONOMIC GROWTH THROUGH WORKPLACE LEARNING

Learning is a lifelong process that continues far beyond the classroom. Through an innovative workforce pipeline initiative, the USAID Economic Security Program is creating opportunities for young professionals and catalyzing growth in four key sectors: intellectual services, light manufacturing, creative industries, and tourism.

Georgia needs workers with the right set of skills for these sectors to reach their potential as drivers of long-term economic growth and sources of high-value employment. To ensure the workforce is more appropriately skilled, the USAID Economic Security Program is partnering with the Institutional and Capacity Development Center (ICDC) on a paid internship program to help companies build relationships with young professionals, and equip them with the skills they need to succeed.

The ICDC will recruit and place 100 students into three-month paid internships to provide administrative, marketing, and technological support to MSMEs in Tbilisi as well as Imereti, Adjara, Samegrelo, and Shida Kartli. The program is customized to meet the specific needs of each participating business. As a result of this partnership, USAID is catalyzing economic growth in two ways - supporting the growth of individual businesses while helping young professionals gain invaluable on-the-job training. USAID's partnership with the ICDC is only the first step in advancing Georgia's skills development with a focus on economic growth. USAID is currently developing a new, fully private-sector oriented, industry-led skills development program scheduled to go online in 2021.

About USAID in Georgia: As the leading development agency of the U.S. Government, USAID supports Georgia to build the capacity to plan, finance, and implement its own solutions to development challenges. USAID has worked in Georgia since 1992, supporting the country's transformation into a developing democracy that is increasingly integrated into Western political, security, and economic institutions. More than 35 USAID programs strengthen Georgia's resilience to malign influence, consolidate democratic gains through enhanced citizen responsive governance, and enable high-value employment through increased economic growth. For more information, please visit: <https://www.usaid.gov/georgia>.



U.S. Ambassador to Georgia Kelly C. Degnan and USAID/Georgia Mission Director Peter Wiebler at the launch of the USAID Basic Education Program. USAID/Georgia



Long horizons, local talent and luxurious upgrades: how Silk Hospitality is riding out the pandemic

Silk Hospitality was one of the first to open the doors of its hotels to Covid quarantine guests when it became clear back in March that Georgia wasn't going to remain a "corona-oasis" for long. But since that period came to an end in June, Silk Hospitality has set its eyes on new challenges and is busy adapting to new circumstances.

One lasting effect of coronavirus on Silk Hospitality, its CEO Jordi Kuijt told *Investor.ge*, has been to quicken processes that had already been set in motion before the coronavirus pandemic.

This has entailed the consolidation

of the Silk Road Group's assets under Silk Hospitality, gathering management, human resources and administration of the holding company's hospitality assets under one roof, in addition to overseeing its new services as a hospitality operator.

The process began two years ago, but is still being brought to a conclusion, Kuijt says, noting perhaps the biggest change will entail the inclusion of more local talent into its administration, and the weaning of the holding's hospitality assets off relying on foreign expertise.

"When I first came to SRG [Silk Road Group], the question was: how

can we grow our hospitality holdings and appeal? I said, 'Only by using local expertise.' The locals know the people better. Perhaps a decade ago this was less true, and we needed to import expertise from abroad, policies, procedures. But now, 11 years on, we have invested in future talents and can employ them in these roles," Kuijt explains.

When tourism gets moving again and it has become less daunting to go out for a meal, Silk Hospitality assets will be staffed more than ever before by local Georgian talent.

But why move in this direction amid

a global pandemic?

Local talent, Kuijt says, will help the holding pursue an aim that the global tourism industry is facing as an inevitability, but one which Silk Hospitality has decided to tackle as a welcome and much-needed change: that of pivoting to local clients and customers.

For example, Filini, the Italian restaurant and café located on the premises of the Radisson Blu Iveria Hotel, has enough space to feed 500 guests at breakfast. However, Kuijt says, this model of quick and industrial dining is one that leaves much to be desired, especially for local diners, who, if they come at all, will come to a hotel restaurant strictly for the atmosphere and food—not because they are captive in the hotel to begin with.

Now that hospitality venues have to make due without foreign tourists, attracting local clients is vital. This means that instead of spaces which are limited (by the aesthetics of their design) to feeding hundreds of guests, such areas should be used, Kuijt suggests, as communal spaces where people are brought together, not processed.

Hotels have to pivot to the local consumer, Kuijt says, and it's not simply a matter of the pandemic.

“Why should someone pay 25-30 dollars for breakfast, when around the corner they can have an authentic meal, and a more exciting experience? Don't expect your audience to come to you at that price. The future of restaurants needs to be locally based and oriented, because whatever happens, it is the locals that will come—then you can count on a solid future in the business.”

The focus on local customers went into the design of Silk Hospitality's Republica complex on First Republic Square (formerly known as Rose Revolution Square) across the way from the Radisson Blu, including a modern take on a Georgian diner, Republic 24, the menu of which is curated by renowned Georgian chef Tekuna Gachechiladze. The facility also includes a concert space and rooftop lounge and restaurant.

The coronavirus pandemic has not been a time for Silk Hospitality to slow down, shutter up and stop its operations. Instead, Silk Hospitality has chosen to take this time to reassess its long-term horizon, and prepare for a post-coronavirus world.

Part of this process has been to further roll out hospitality-management services in response to an uptick in industry exits:

“If people want to get out of hospitality now, which some people are thinking of doing because the business was purely an investment to begin with, then we would say okay, don't sell your investment, because we can manage it, and it will cost you just a fraction of what you pay now,” Kuijt explains.

As for its own assets, Silk Hospitality has been steadily investing in upgrades and improvements during the downturn, including the installation of a large, four-season pool (!) at the Radisson Collection Hotel Tsinandali with a retractable roof, experimenting with tech to connect staff and clients on the Tsinandali Estate, and continued work on Telegraph Hotel, which will see one of Tbilisi's hallmark buildings on Rustaveli transformed into a 220-room, five-star hotel by 2023-2024.

When asked why Silk Hospitality chose such uncertain times to plow ahead with ambitious plans, Kuijt says the answer is simple:

“Anything in hospitality and tourism, any business idea or plan, is long-term. A healthy long-term vision is five to 10 years. If you don't understand that, you shouldn't get into the business. There is no return on an investment by tomorrow, or even in one year.”





AMCHAM'S NEW BOARD OF DIRECTORS



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FIRST VICE PRESIDENT



SARAH WILLIAMSON
PRESIDENT



R. MICHAEL COWGILL
VICE PRESIDENT AND TREASURER



RADOSLAV DUDOLENSKI
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COLIN DONOHUE
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OTAR KIPSHIDZE
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SERGI KOBAKHIDZE
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JORDI KUIJT
DIRECTOR



KETTI KVARTSKHAVA
DIRECTOR



SANDRO SHELIA
DIRECTOR



GOGA TKHELIDZE
DIRECTOR



GEORGE WELTON
EXEC. DIRECTOR



BETSY HASKELL,
EX-OFFICIO ADVISOR

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AMCHAM HOLDS VIRTUAL CONFERENCES WITH POLITICAL PARTIES AHEAD OF ELECTIONS



Throughout October, six political parties addressed AmCham members and spoke about their political and economic platforms ahead of the October 31 elections. AmCham members were then able to engage in lively Q+A sessions.

AmCham virtually hosted political party Lelo on October 2 (represented by Mamuka Khazaradze and Badri Japaridze), European Georgia on October 5 (Zurab Tchiaberashvili), the Georgian Dream on October 16 (Irakli Kobakhidze and Natia Turnava), the United National Movement on October 20 (Nona Mamulashvili and Irakli Kipiani), Strategy Aghmashenebeli on October 22 (Giorgi Vashadze) and Girchi on October 27 (Zurab Japaridze).



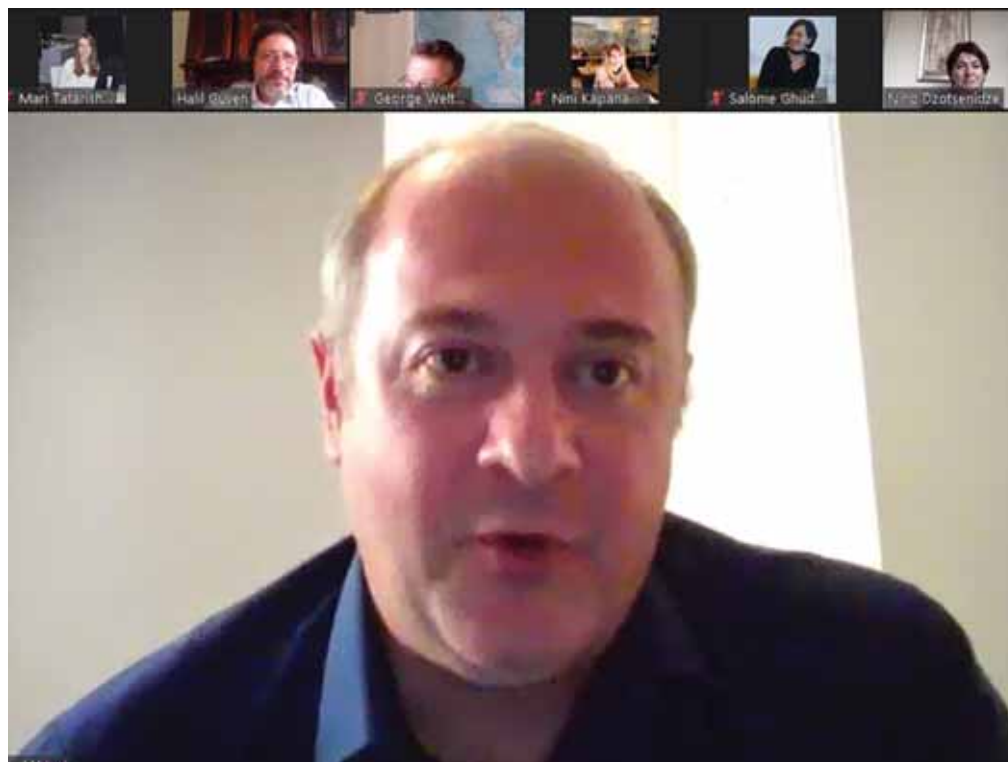
THOMAS DE WAAL SPEAKS TO AMCHAM MEMBERS ABOUT KARABAKH CONFLICT



AmCham Georgia hosted a virtual meeting with Karabakh expert Thomas De Waal on October 13, who presented a short summary of his sense of the current conflict in Nagorno-Karabakh. Tom is a Senior Associate with the Carnegie Endowment for International Peace and is one of the leading international experts on the so-called ‘frozen conflict’ in Nagorno Karabakh. His book, *Black Garden: Armenian and Azerbaijan through Peace and War* in 2003, is one of if not the leading work on the conflict. The talk was followed by a question and answer session.

EDUCATION AND TRAINING COMMITTEE MEETING

AmCham hosted a virtual meeting of its Education and Training Committee on October 29 with Nikoloz Chachkhiani from RTI International, who has recently joined AmCham. Mr. Nikoloz presented the USAID Basic Education Program, which is a four-year Program funded by USAID and implemented by RTI International in partnership with eight Georgian universities and seeks to implement sustainable student-centered reform in primary grades. The presentation was followed by a Q&A.



ANNUAL GENERAL ASSEMBLY



American Chamber of Commerce in Georgia held its annual General Assembly on November 19, during which time the entire Board of Directors was elected. The new composition of the Board of Directors is as follows:

Sarah Williamson, Senior Vice President & Co-owner,
UGT Group – President

Irakli Baidashvili, GMT Group – First Vice-President

R. Michael Cowgill, Georgian American University –
Vice-President and Treasurer

CORP A BOARD OF DIRECTORS

Colin Donohue, Optimal Digital and Startup Grind

Otar Kipshidze, Dentons Georgia

Sergi Kobakhidze, PwC Georgia

Jordi Kuijt, SRG/Radisson

Sandro Shelia, Conformity Assessment International

George Tkhelidze, TBC Bank

CORP B BOARD OF DIRECTORS

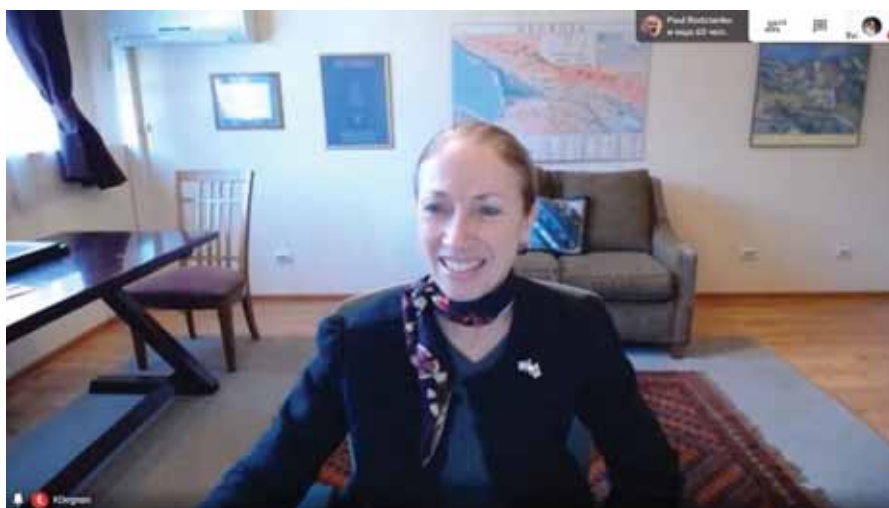
Radoslaw Dudolenski, CrossCountry Georgia

Ketti Kvartskhava, BLC Law

At the meeting, Michael Cowgill (outgoing president) gave a summary of the year, and Irakli Baidashvili (outgoing VP and Treasurer) presented the 2019 financial report. Betsy Haskell was approved as ex-officio advisor to the board. The General Assembly was moderated by Mackenzie Rowe from the US Embassy.

AMCHAM MEMBERS HOLD VIRTUAL MEETING WITH US AMBASSADOR, HE KELLY C. DEGNAN – NOVEMBER 24

AmCham Georgia hosted Her Excellency Kelly C. Degnan, the US Ambassador to Georgia, at an online meeting with members on November 24. The ambassador discussed the current political situation in Georgia, the United States and the region with AmCham members and partners. The presentation was followed by a lively Q+A session.





**Research Triangle Institute
Branch in Georgia
Non-Profit**

Research Triangle Institute (RTI) International is an independent, nonprofit research institute dedicated to improving the human condition. The vision of the company is to address the world's most critical problems with science-based solutions in pursuit of a better future. Combining scientific rigor and technical proficiency, RTI delivers reliable data, thorough analysis, innovative methods, novel technologies, and sustainable programs that help clients inform public policy and ground practice in evidence. The company scales its approach to fit the demands of each project, delivering the power of a global leader and the passion of a local partner.

www.rti.org

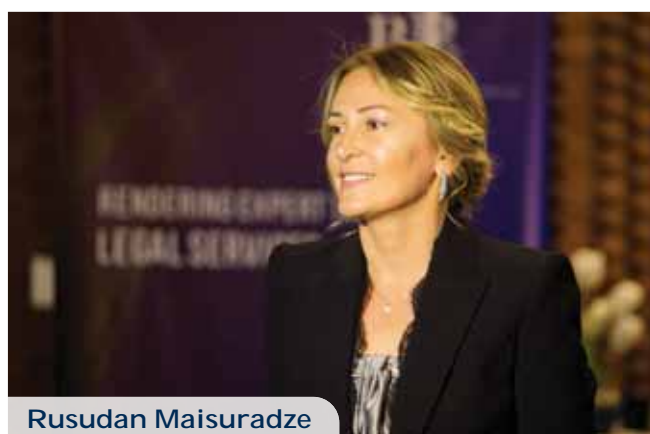


Founded in 1995 BLB celebrates the **25th** Anniversary

To celebrate the jubilee BLB hosted a reception that was one of the last public gatherings before COVID-19 outbreak in Georgia.

The firm announced its intention to usher in the new era with the expansion of practice and the team. Rusudan Maisuradze, LSE graduate, and former counsel for TBC Group joined BLB as a new Partner.

On the question of what makes BLB stand out from other firms, Rusudan says she praises BLB for the unique experience, values, and plans she shares with the firm. Rusudan says she has always been impressed with the firm's performance that is characterized by a success-oriented approach, involving carefully elaborated detailed plan of actions for each matter and the client; the firm is known for its unremitting commitment to excellence and value-added services to the clients. This has been demonstrated by the firm's mobilization in times of the rapid spread of COVID-19 when BLB created COVID-19 Resource Center and special TaskForce supporting the clients and communities pro-bono to respond to the legal implications of the pandemic in an emergency manner. "BLB has the team with an exceptional experience of guiding investors through the underdeveloped legal environment of Georgia in the extremely important process of transferring into a market economy back in the 90s.



Rusudan Maisuradze

This team has participated in investment projects of historic importance for our country and they are still doing a stellar job. Now when there is extreme competition among respectable local and international law firms, BLB manages to maintain the leading position on the Georgian legal market that is evidenced by the international rankings conducted by Legal 500, Chambers, and Partners, IFLR 1000.

BLB has always been the respectable law firm chosen by prominent investors, the firm whose name was always distinct on the Georgian legal market and I did not hesitate to make the decision on collaboration, decision was made in a flash." – says Rusudan.

Rusudan also speaks about the expectations one shall have after her collaboration with BLB: "the firm kicks off the new decade as a full-scale law firm. We are offering the clients the services from our white-collar criminal and regulatory practice led by our Partner Maya Mtsariashvili; while I will be the responsible Partner for the services the firm offers in the fields of EU Regulations, Business & Human Rights, and Media Law."

As its strategic vision for the future decade, the firm claims to be devoted to further develop state-of-the-art manners of delivering legal service, encourage innovation, welcome diversity, and to put more efforts in Pro Bono work.



AmCham Company Members as of December 2020

PATRON MEMBERS

BP Exploration Georgia

24, S. Tsintsadze St.
Tel: 2593400
www.bpgeorgia.ge

KPMG Georgia LLC

5th Floor, GMT Plaza,
4 Freedom Sq., 0105
Tel: 2935713; Fax: 2982276
www.kpmg.ge

PwC Georgia

12 M. Aleksidze St., 0160
King David Business Center
Tel: 2508050; Fax: 2508060
www.pwc.com

TBC Group

7 Marjanishvili St.
Tel: 2272727; Fax: 2228503
www.tbcbank.ge

UGT

17a Chavchavadze Ave., 7th floor
Tel: 2220211; Fax: 2220206
www.ugt.ge

CORPORATE A MEMBERS

Adjara Group Hospitality

1, 26 May Sq., 0179
Tel: 2300099
www.adjara-group.com

Alliance LLC

135 King Parnavaz St., Batumi
Tel: 591555757
www.alliancegroup.ge

Alliance Group Holding, JSC

47/57 M. Kostava St., 0179
Tel: 2424181; Fax: 2998112
www.agh.ge

Alta LLC

Beliashvili st. 104, 0159
Tel: 2510111
www.alta.ge

Anaklia Development Consortium

6 Marjanishvili St.
Tel: 2959910
www.anakliadevelopment.com

Avon Cosmetics Georgia LLC

117 Tsereteli Ave.
Tel: 2226805; Fax: 2226806
www.avon.com

British American Tobacco

71 Vazha Pshavela Ave.
Tel: 2157500/01/02; Fax: 2157503
www.bat.com

Budget Rent a Car - Otokoc

Georgia LLC
37 Rustaveli St.
Tel: 2234112
www.budget.com.ge

Capitol HPS / Best Western Hotels & Resorts - Area Developer in Georgia

2nd floor, 70b, Vazha-Pshavela Ave., 0186
Tel: 2197835
www.capitolhps.com

Caucasus University

77 Kostava St., Bld.6, 4th fl.
Tel: 2377777; Fax: 2313226
www.cu.edu.ge

Chemonics International

9 N.Ramishvili St, 1st Dead End, 0179
Tel: 2227495
www.chemonics.com

Coca-Cola Company

114 Tsereteli Ave.
Tel: 2941699, 2942609
www.coca-cola.com

Colliers International Georgia LLC

11th Floor, King David Business Center, 12 M. Aleksidze St. 0171
Tel: 2224477
www.colliers.com

Conformity Assessment International (CAI) LLC

11 Giorgi Saakadze Descent
Tel: 595690008
www.cai.international

Cushman & Wakefield Georgia

4th Floor, 34 I. Chavchavadze Ave. 0179
Tel: 2474849
www.cushmanwakefield.ge

DAI Global (Implementer of the USAID Economic Security)

7th Floor, 34 I. Chavchavadze Ave. 0179
Tel: 577465059
www.dai.com

Dasta Records Management

15 Grigol Lortkipanidze St.
Tel: 2900112
www.drm.ge

Deloitte

King David Business Center
15th floor, 12 Merab Aleksidze St.
Tel: 2244566; Fax: 2244569
www.deloitte.ge

Dentons Georgia LLC

10 Melikishvili St.
Tel: 2509300; Fax: 2509301
www.dentons.com

Diplomat Georgia

65, Kakheti Highway
Tel: 2984950
www.diplomat.ge

Dressler Consulting

1664 De Mott Court/ Merrick
New York, 11566, USA
Tel: +1-5169081444
www.dresslerconsulting.com

EY LLC

44 Kote Abkhazi St.
Tel: 2439375; Fax: 2439376
www.ey.com

F H Bertling Georgia Ltd.

Room 3, 4th Floor,
154 Agmashenebeli Ave.
Tel: 2252287
www.bertling.com

FINCA Bank Georgia

71 Vazha-Pshavela Ave. 3rd fl.
Tel: 2244949
www.finca.ge

Gazelle Finance Georgia LLC

Tatishvili st. 3/5 (Melikishvili Ave.
Award Business Center, 7th floor)
Tel: 2904304
www.gazellefinance.com

General Electric

5th Floor, Pixel Building,
34 Chavchavadze Ave.
Tel: 2259516 / 2259505
www.ge.com

Geomedica Ltd.

12 First Lane, N.Bokhua St, 0131
Tel: 2520035
www.geomedica.ge

Georgian American University

8 Aleksidze St.
Tel: 2206520; Fax: 2206519
www.gau.edu.ge

GMT Group

4 Freedom Square
Tel: 2988988; Fax: 2988910
www.gmt.ge

Gosselin Moving Georgia

3 M/D, Didi Digomi
Tel: 2596601/02/03; Fax: 2596600
www.gosselin-moving.com/

Grant Thornton LLC

54 Ketevan Tsameli Ave.
Tel: 2604406
www.grantthornton.ge

Greco Group

1 Nutsidze St.
Tel: 2393138; Fax: 2311107
www.greco.ge

GT Group

48 B. Cholokashvili St.
Tel: 2740740
www.gtgroup.ge

GULF Georgia

by Sun Petroleum Georgia LLC
Pixel Business Center,
34 Chavchavadze Ave.
Tel/Fax: 2496444
www.gulf.ge

Hertz Georgia

1 Rose Revolution Sq. Hotel
Radisson Blue Iveria, G-floor
Tel: 2723530
www.hertz.com.ge

Hilton Batumi

13 Takaishvili St., Batumi
Tel: 292092
www.hilton.com

Iberia Refreshments, JSC

Tetri Khevi Hesi District, Orkhevi
Tel: 2241091; Fax: 2241090
www.pepsi.ge

ICE Ltd.

Chavchavadze Ave. #33b
Tel: 2990172
www.ice.com.ge

IT Consulting Georgia LLC

Irakli Abashidze 36-34, Terminal
Gate 13
Tel: 599231313
www.spotcoin.net

Kavkaz Cement JSC

29 Andronikashvili St., 0189
Tel: 2619090
www.kavkazcement.ge

KFC / Iberia Food Company

29 Chavchavadze Ave.
Tel: 577043769
www.facebook.com/KFCGeo

Le Meridien Batumi

Intersection of Ninoshvili/Zghenti
Streets, Batumi
Tel: 422 299090
www.lemeridien.com

M2 Development LLC

15 Al. Kazbegi Ave., 0160
Tel: 2444111
www.m2.ge

Maersk Georgia LLC

12 Aleksidze St., King David
Business Centre, fl. 5
Tel: 248 66 81
https://www.maersk.com/local-information/georgia

Marriott Hotels, Resorts & Suites

13 Rustaveli Ave.
Tel: 2779200; Fax: 2779210
www.marriott.com

Mars Georgia LLC

71 V. Pshavela Ave; "BCV", 0186
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www.mars.com

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2 Leonidze St. /1 G.Tabidze St.,
Premises No.315, Floor 4
Tel: 2900815
www.mastercard.com

■ Meridian Express

15-17 Ketevan Tsamebuli Ave.0103
Tel: 2745199
www.ups.com

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34 Chavchavadze Ave.
Tel: 2970123
www.microsoft.com

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4th Floor, BC "Avenue", 29
Chavchavadze Ave., 0179
Tel: 2200180
www.mdlz.com

■ Office Technologies-Steelcase Dealership

4 Freedom Sq., 0105
Tel: 2999980, 2688229
www.officetechnologies.ge

■ Optimal Digital

35 Razmadze St.
Tel: 595001889
www.optimal.digital

■ Oracle Nederland B.V. Representative office

Kievskoe Shosse, 22nd km, bld
6/1,10881, Moscow, Russia
Tel: +74956411400
www.oracle.com

■ Orient Logic Ltd.

8 Beliasvili St.
Tel: 2541818
www.orient-logic.ge

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Tel: 2914701
www.pace.ge

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Village Ponichala, Tbilisi 0165
Tel: 2475290
www.wbd.ru

■ Philip Morris Georgia

Saarbrucken Square, 0102
Tel: 2439003
www.pmi.com

■ ProCredit Bank

154 Agmashenebeli Ave.
Tel: 2202222; Fax: 2202222-2226
www.procreditbank.ge

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1 Rose Revolution Sq.
Tel: 2402200; Fax: 2402201
www.radissonblu.com

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Tel: 2222424
www.remax-georgia.ge

■ School of Tomorrow LLC

21, Petre Kavtaradze St.
Tel: 2233199
hwww.st.edu.ge

■ Sheraton Grand Tbilisi Metechi Palace Hotel

20 Telavi St.
Tel: 2772020; Fax: 2772120
www.sheraton.com/tbilisi

■ SICPA Security Solutions Georgia

79 Chargali St., 0178
Tel: 2434580
www.sicpa.com

■ Simetria LLC

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Tel: 2420692
www.simetria.ge

■ Strada Motors/JEEP-Chrysler

191 Ak. Beliasvili St.
Tel: 23073007
www.strada.ge

■ T&K Restaurants (McDonald's Georgia)

1 Dzmebi Kakabadze St.
Tel: 2921246; Fax: 2251422
www.mcdonalds.ge

■ TMC Global Professional Services

6001 Indian School Road NE, Suite
190, Albuquerque, NM 87110, USA
Tel: (1 505) 8723146
www.tmcservices.com

■ USAID Economic Governance Program

5, Levan Mikeladze St., 0162
Tel: 599585122

■ Visa International Service Association

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City, CA 94404, USA
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www.visa.com

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www.willis.com

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www.airastana.com

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www.dio.ge

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www.domsons.com

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www.natakhtari.ge

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www.geobeer.ge

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www.lisi.ge

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Tel: 2990399
www.lucapolare.com

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www.rsm.ge

■ **Savvy**
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Tsereteli Ave.,
Tel: 2421342;
www.savvy.ge

■ **SEA**
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Email: e.stepanova@wst.ge

■ **Silknet Ltd.**
95 Tsinamdzgvrishvili St.
Tel: 2910345;
www.silknet.com

■ **SRG Investments LLC**
49a Chavchavadze Ave, 3rd floor
Tel: 2253581
www.silkroad.ge

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13 Radiani St., 0179
Tel: 2434455
www.turner.com, www.t3concept.ge

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Tel: 592107515
www.tbilisia.ru

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Tel: 2147171
http://www.transporter.com.ge

■ **University of Georgia**
77a Kostava St.
Tel: 2552222
www.ug.edu.ge

■ **VBAT Law Firm**
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Tel: 2305777
www.vbat.ge

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4 Elene Akhvlediani Ascent
Tel: 2555888
www.vinotel.ge

■ **Wings and Freeman Capital**
Green Building, 6, Marjanishvili St.
Tel: 2940051; Fax: 2940053
www.wfcapital.ge

■ **Wissol Georgia**
74b Chavchavadze Ave.
Tel: 2915315; Fax: 2915615
www.wissol.ge

■ **Zarapxana LLC**
15 Lubliana St.
Tel: 2510001
www.zarapxana.ge

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Tel: 2594901
www.americancouncils.org

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Tel: 2397174; Fax: 2388495
www.afgeorgia.org

■ **CENN**
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Tel: 2751903
www.cenn.org

■ **(CiDA) Civil Development Agency**
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Tel: 341258822
www.cida.ge

■ **CNFA**
47 Kostava St., 0179
Tel: 2980722
www.cnfa.org

■ **Eastern European Centre for Multiparty Democracy (EECMD)**
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Tel: 2915650
www.eecmd.org

■ **Europe Foundation**
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Tel: 2253942; Fax 2252763 (ext. 112)
www.epfound.ge

■ **Georgia Red Cross Society**
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■ **Georgian Waste Management Association**
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Special thanks to all the contributors to the magazine, especially our member companies for their contributions, AmCham Georgia staff and all our contributors.

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Investor.ge is printed by CEZANNE

AmCham Georgia:
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