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Mastercard Unveils an Exclusive Collection of Priceless Experiences in Georgia

Mastercard, renowned worldwide for its exceptional offerings, presents priceless experiences beyond measure that are exclusively tailored for its esteemed patrons. These extraordinary encounters range from enthralling opportunities, such as attending prestigious events like the Cannes or Venice film festivals, to securing coveted tickets for prominent sporting spectacles such as the UEFA Champions League or Rugby World Cup matches.

Mastercard now offers an exclusive selection of priceless experiences within the borders of Georgia, building on its impressive 25-year presence in the country. This ambitious initiative is the largest-scale Priceless project ever launched in Georgia, allowing privileged owners of premium Mastercard cards to immerse themselves in unparalleled feelings and interactions curated by prominent individuals from various fields.

Georgia, a compelling and inspiring country, is home to a wealth of priceless culinary, enological, artistic, cultural, and hospitality offerings. Mastercard has carefully chosen well-known brands that appeal to its clients and created personalized experiences that are perfectly catered to their individual preferences.

At the prestigious "8000 Harvest," discerning customers can have a private wine tasting or luxuriate in tasting limited-edition wines. Alternatively, people can enjoy the thrill of free car racing or realize their dreams of driving by taking a test drive at the prestigious "Porsche Center Tbilisi." Together with traditional Georgian food artistically reimagined by the outstanding chefs of "GMT Hospitality," guided tours of Tsinandali are also offered by a sommelier from the renowned "Silk Hospitality." They can also take part in fascinating literary conversations or attend intellectually stimulating public lectures presented by Georgian authors at the National Library, featuring eminent individuals like Giorgi Kekelidze. A few of the incredible sights that Mastercard customers and their partners can look forward to are musical performances by the gifted Nikoloz Rachveli and the hypnotic dance variations of "Sukhishvili."

The General Manager of Mastercard in Georgia, Davit Zgudadze, exudes enthusiasm and says, "Customers who have used Mastercard consistently have come to expect valuable experiences. We intend to take that experience to new heights with these ground-breaking services. All Mastercard Global Elite category cardholders worldwide have access to these special interactions. We anticipate a significant demand from candidates looking to experience Georgian culture, art, and cuisine from a whole new angle."

These priceless experiences are exclusively accessible to Mastercard World Elite cardholders.

Please visit the following website to learn more about the special benefits and eye-catching deals that Mastercard has created just for Georgian cardholders: https://mastercard-privileges.com/

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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.

Georgian trade up 19% in January-May 2023

Georgian external trade turnover amounted to $8.36 billion in January-May 2023, posting a 19% YoY increase, Geostat revealed in a mid-June report. The value of exports rose by 18.5% and equaled $2.5 billion, while imports also grew by 19%, amounting to $5.85 billion in the first five months of 2023. The trade deficit, which measures the negative balance of trade in which imports exceed exports, reached $3.35 billion, and the share of trade turnover hit 40%, the report revealed.

These figures come on the back of what Deputy Minister of Economy Genadi Arveladze described as a "record increase" of trade turnover in 2022. In his speech in front of the Georgian Parliament on June 24, the minister noted that turnover last year increased by 34% and amounted to $19.2 billion, including a 32% increase in exports valued at $5.6 billion.

He noted the development of trade regimes with other countries was "one of the important successes" in this direction, highlighting the free trade agreement with the European Union signed in 2014, as well as agreements with the European Free Trade Association, China, Hong Kong, the United Kingdom, and the United Arab Emirates.

"Georgian products can enter one-third of the world consumer market under free trade regimes, which represents a 2.3 billion consumer market," the deputy minister said, adding that the share of Georgia's export dependence on CIS markets had decreased in recent years.

Galt & Taggart: annual tourism revenue expected to reach $4 billion in 2023

Galt & Taggart's latest forecasts foresee the country's annual tourism revenue reaching $4 billion in 2023, economist Lasha Kavtaradze confirmed to BM.ge on June 17.

Clarifying that migrants who have become residents are excluded from these figures, Kavtaradze added that tourism revenues from July and August alone were expected to reach a record $1 billion this year. In the first quarter of 2023, 1.2 million international non-resident travelers entered Georgia, which is twice the size of the figure from the same period of last year, Kavtaradze told the media outlet. He also noted tourism revenue had increased by 18% compared to the same period last year.

"Between January-May 2023, Georgia's income from international tourism amounted to $1.35 billion," said Kavtaradze, adding that tourism revenue amounted to $250 million in April and $304 million in May.

Georgian government adopts ADB-supported Capital Market Development Strategy

The Government of Georgia presented a Capital Market Development Strategy developed in tandem with the Asian Development Bank (ADB) in late June. The strategy will serve as a guide for "coordinated and consistent" development of the Georgian capital market, Officer-in-Charge of the ADB Georgia Resident Mission Kamel Bouhmad said. "We are pleased to continue supporting the government's efforts to deepen local capital markets, enhance market efficiency, mobilize investment opportunities, and promote sustainable economic growth. By leveraging our technical expertise, financial resources, and international network, we aim to continue to be a key partner for Georgia as it endeavors to strengthen its capital market."

Plans for new Tbilisi airport announced

Georgian Prime Minister Irakli Garibashvili on June 5 unveiled his office's plans to build a "new, modern, and international-standard airport," which he said would respond to the government's intentions of transforming the country into a regional transportation hub.

In comments made at his weekly cabinet meeting, the head of the government said that "disadvantages and limitations" of Tbilisi International Airport were growing more apparent as tourist traffic continues to increase. The PM said the location of a former airfield in Vaziani, near Tbilisi, may become the site of the new airport, and added the government plans to conduct a feasibility study on the prospective area and its potential. "The final decision about the location of the new airport will be made after professional assessments of the former airfield are completed," he added.

Headline inflation down at 1.5% in May

Headline CPI retreated to 1.5% from 2.7% inflation May, data published by Geostat in early June shows. This decline was primarily attributed to a reduction in inflation for imported goods (-6.5% YoY) and mixed goods (-4.2% YoY). Domestic inflation also slowed to 9.1% in May compared to 10.6% in April.

Prices of certain food products and non-alcoholic beverages decreased MoM ▸▸

in Georgia in May, while prices of alcoholic beverages, tobacco, miscellaneous goods and services increased. Prices for food products, including oil, vegetables, milk and bread, decreased by 1.7%. At the same time, prices increased for: fruit (+4%); coffee, tea, and cocoa (+1.5%); fish (+1%); and meat (+1 %).

The National Bank of Georgia said at the end of May that even though domestic inflation was still high in the country, the trends were following a "downward trajectory," with figures expected to remain below their target level in the second half of the year.

Georgia, Germany sign €1.3 million green hydrogen deal

The German government will allocate €1.3 million through the German Development Bank to support the introduction of green hydrogen technology in Georgia, the Georgian Ministry of Economy announced on June 20. Georgian Deputy Economy Minister Romeo Mikautadze commented: "We are not only studying the possibility of introducing [this] technological innovation in the country and being introduced to successful examples, but also starting a pilot project." The Ministry of Economy said preparatory work would determine the technical and economic feasibility, design, environmental impact, and related legislation necessary for the implementation of the technology. The ministry also said the two countries had agreed to jointly develop both a green hydrogen pilot plant and its "full value chain."

Bakuriani, Gudauri ski resorts set as permanent hosts for international competitions

Georgia's popular ski resorts of Bakuriani and Gudauri have been marked as permanent hosts in the competition calendar of the International Ski and Snowboard Federation, enabling the destinations to host stages of World Cup events running under the body annually. The Mountain Trails Agency of Georgia announced in early June that the two locations would be among 11 resorts around the world hosting 19 events of the 2023-2024 FIS Ski Cross World Cup calendar.

Bakuriani will host competitions for mogul, dual mogul, and ski cross disciplines, while Gudauri will be the destination for snowboard cross events. A FIS press release named Bakuriani as an "emerging ski destination" that offers a "distinctive setting and a demanding course that showcases the region's natural beauty."

Georgian Deputy Economy Minister Mariam Kvrivishvili says the new development means the country has become a permanent host of FIS competitions for the first time in its history. "Our country has taken a proud spot among many successful and developed ski resorts in France, Switzerland, the United States and Canada [...] This success was determined by two main factors: the first is the very successfully held World Championships - which our country hosted at the beginning of this year - and the second is infrastructural readiness," Kvrivishvili said.

She added ski infrastructure of "his-

toric" importance had been set up in Bakuriani over the past two years, including two reservoirs for an artificial snowmaking system, three new cable cars, 11 ski tracks and a 34-kilometer snowmaking system. Kvrivishvili said the FIS decision to grant the status to the two Georgian destinations would "significantly contribute" to the strengthening and promotion of mountain ski tourism in the country.

$382 million infrastructure program launches around Georgia

The Municipal Development Fund of Georgia on June 29 announced the launch of a ₾1 billion ($382 million), five-year program for the renovation and development of infrastructure in 11 locations across the country.

The renovation projects will take place in Borjomi, Bakuriani, Kutaisi, Tskaltubo, Telavi, Zugdidi, Batumi, Mtskheta, Stepantsminda, Mestia, and Kazbegi, and include: the central park and historical center of the central-western city of Borjomi; the central park and new recreational area at Tsivi Lake in the western spa resort of Tskaltubo; the main boulevard in the western city of Zugdidi; the botanical garden and Lado Meskhishvili Theatre in the western city of Kutaisi; Batoni Castle and its surrounding area as well as Vazha-Pshavela Drama Theatre in the eastern city of Telavi; the old town on the Black Sea coastal city of Batumi; and various historical areas within the Kazbegi, Bakuriani, and Mestia municipalities.

This new program follows a similar urban development initiative launched two years ago, which included 63 municipalities in Georgia and upgraded city centers around the country. The total cost of the previous program was ₾500 million ($191 million).

Asian Development Bank invests $7.6 million in EVs, charging network

The Asian Development Bank (ADB) on July 5 announced it would allocate ₾20 million ($7.6 million) towards the deployment of zero-emission light, road, and non-road electric vehicles, and expansion of charging networks in Georgia with 70 new stations. The money will be invested in inaugural two-year and six-month lari-denominated green bonds of Tegeta Motors, one of Georgia's leading automotive companies, the ADB said.

"The ADB is Asia and the Pacific's climate bank, and this investment builds on our commitment to developing Georgia's capital markets through our climate and gender bond issuance," ADB Director General for Private Sector Operations Suzanne Gaboury said. Tegeta Executive Director Vakhtang Kacharava said the company was "dedicated to pioneering" the issuance of green bonds in Georgia to support domestic efforts to reduce greenhouse gas emissions. ■

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Silk Real Estate issues $20 million in bonds, setting a strong path for future growth

Silk Real Estate (formerly known as SRG Real Estate), a leading Georgian real estate management company, has successfully issued $20 million in bonds, which are publicly listed on the Georgian Stock Exchange.

This marks the first tranche of a two-part bond issuance totaling $40 million. The second tranche of $20 million bond will be issued in the second half of the year.

With up to 200 investors participating in the first issuance, Silk Real Estate now has one of the largest number of investors for a single issuance in the local bond market.

In addition to its historic size, the investor base is also equally distributed between Georgian and foreign investors, with a precise split of 55% Georgian investors and 45% foreign investors. In addition, the issued bonds have a three-year maturity, which is relatively rare on the market.

These outstanding results showcase both the confidence and trust placed in the company's future prospects and the widespread interest in Silk Real Estate and its ability to attract both local and international stakeholders.

To build on its mission of bringing new life to places, Silk Real Estate continues to play a leading role in the Georgian real estate market, constantly delivering on new projects and developments. As of today, the company is creating a new upscale hotel in the very heart of the capital city, one which will transform the former central post building, into a 240-room modern and sustainable hotel including restaurants, bars, meeting rooms and banqueting facilities. The company is also actively working on several large-scale residential projects in different parts of Georgia. One such example is Silk Towers - a cluster of 5 towers and yacht club in Batumi – which is planned for the near future.

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DIY-ers dominate Georgia's home renovation market

The Georgian DIY (do-it-yourself) sector is red-hot, with demand for accommodation of all sorts soaring. Increased rent prices, migrant inflow, and tourism recovery following the pandemic means many have a lot of extra cash. Strong sales of renovation and improvement materials and products are helping this profitable retail trade expand rapidly.

SALLY WHITE

Georgia now has a booming $2 billion-plus DIY industry - part of the $3.4 billion-plus construction market, which was showing growth of 29% in its renovation sector overall last year, according to an industry report from investment bankers Galt & Taggart. (Though, as worldwide, the proportion of the customers doing the work themselves, rather than employing workers, continues to be partially retailer guesstimates).

Worldwide, refurbishment is a "lucrative business," according to research from U.S.-based international research group Global Market Insights, but does not match Georgia's rate of growth. U.S. research group Research Dive puts the annual rate of global growth rate at over 6% and forecasts the DIY sector alone to reach $1.3 trillion in a few years' time. In the Asia-Pacific region, for example, it forecasts a 3.9% annual growth rate and in the Americas, one of 4.5% between 2021-2027. Another U.S. market research group, ANGI, states that in 2022, U.S. homeowners spent an average of $10,341 on home improvements.

DIY boomed in the pandemic everywhere, driven by household economies and boredom. According to U.S. research consultants the Freedonia Groups, amid the pandemic, 39% of consumers were reporting that rather than just sit on the couch watching Netflix, they were working on home improvement and renovation projects. While in the U.S., households may have been adding swimming pools, in Georgia, in response to rising numbers of immigrants and tourists, the major focuses have been the addition of rooms for letting or putting homes on airbnb, as well as the construction of guesthouses.

Post-pandemic DIY boom

In the aftermath of the pandemic, it has been the global shortage of workers and the rising cost of materials that have been driving forces behind record high DIY revenues. The price tag on a DIY project can mean savings of anywhere from 50% to 80% on a comparable contractor's

job, according to the U.S. HomeAdviser website.

In Georgia, Galt & Taggart says, soaring material and product prices "reflect high dependence on imports," reaching all-time highs in 2022. By last September, prices were stabilizing, though metal, while down 10% from peak levels, was still up 63% compared to January 2020, wood products were 67% higher, and plastic 44%. As a rough guide to prices for builders, analysts at investment bank TBC Capital put the rise in overall construction costs early this year at 21% compared to a year earlier.

Yet, unlike in the U.S. and Europe, where investment in DIY store groups can be made via stock markets, this highly profitable industry is inaccessible in Georgia as it is held in private ownership. Galt & Taggart forecasts put sector growth at 5% to 10% per year over the next five years.

In terms of profitability, Georgian margins for companies in the home improvement sector have been considerably better than those of international peers. The latest year for which annual financial results have been published is 2021, and looking at the period of 2018 to 2021, Galt & Taggart states that margins overall in the renovation industry gained from 7.5% to 12.9%, while for the specialized DIY companies (those selling hardware, paint, glass, and wallpaper), it went from 14.1% to 18.3%. By contrast, the margins of Asian and European DIY stores rose from 6.8% to 9.6% over the period. The strength of Georgian companies is shown by the fact their cash flow was sufficiently strong for them to cut their debt levels considerably.

Georgia's DIY retailers

Key among the major DIY retailers in Georgia are Gorgia, Domino, Modus, Bricorama, and Milhouse. The specialist retailers and wholesalers operating within the sector named by Galt & Taggart are Jaoken, Demas, Zodi, Kapelis, Sakhli, Citadeli and Nova.

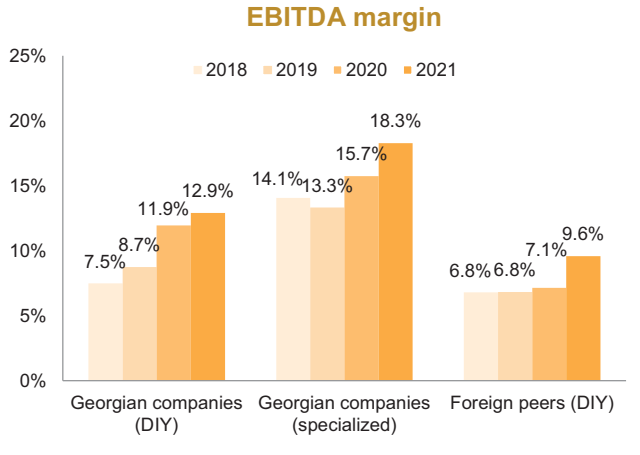
With the market so attractive, it is not surprising that a number of Georgian construction material and specialist suppliers have "started to expand operations, shifting to DIY retail formats," states Galt & Taggart, naming Nova as one example.

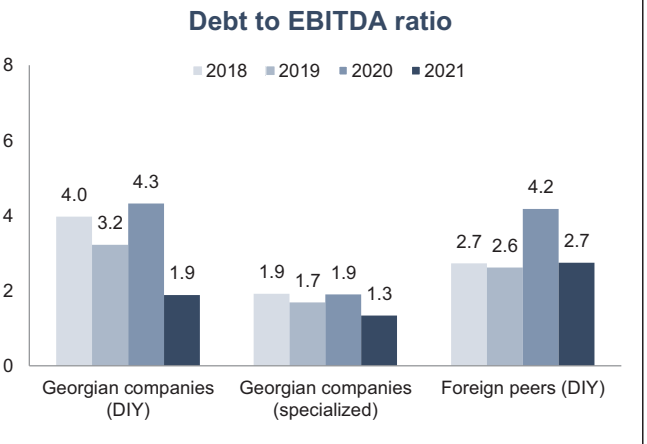
Money continues to be available to spend in the sector, as 2023 consumer spending is expected by TBC Capital to show 15% annual growth. Migrant's expenditure is also expected to increase, with the estimated 115,000 migrant population forecasted to spend $1.7 billion this year against last year's $1.1 billion. Forecasts from the German economic group, GET, put the immigrant share of GDP in 2023 at 3.2%, up from 2% last year, reflecting their average monthly income of $2,300 (according to a CRRC survey.)

Confidence in spending on refurbishing residential properties is coming not just from the recent state of the market, but also its prospects – after a 16% rise in sale prices last year, TBC is forecasting one of 21% for 2023, and for rental prices one of 53%. (After years of averaging just over $6 per square meter, last year the price shot up to $13.2, fueled by immigrant demand). In fact, at the highest level ever, and top in the region, Georgian rental yields – 12.1% in March – offer a better return than most other savings media internationally.

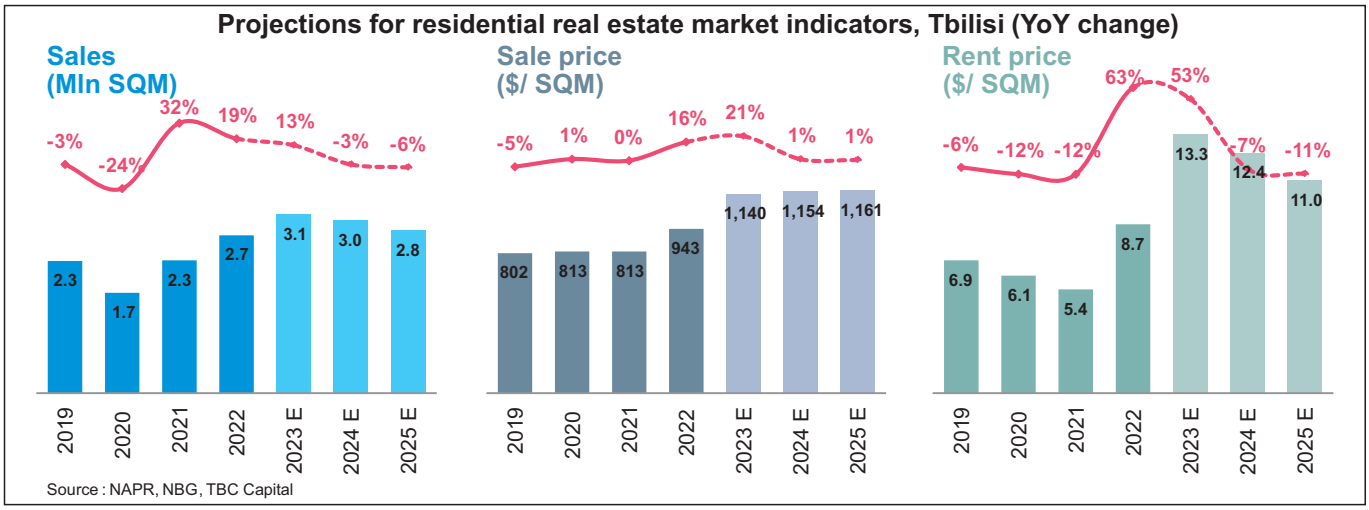
The major DIY marketing conundrum of whether to appeal to male or female shoppers that so preoccupies retailers in Europe and the U.S. does not (as yet) seem to be a concern in Georgia. The approach, among the larger outlets ▸▸

Peer analysis: profitability and leverage of renovation materials retailers/wholesalers





Source: Reportal, Capital IQ, Galt & Taggart Research
Note 1: companies in specialized trade include some retailers that are also trading with construction materials
Note 2: outliers excluded from the sample of DIY companies



at least, seems to be to stock just about everything that relates to a house/guest house and its fabric – from builders' tools to paint, polish, seeds, plants, furniture, barbeques, light bulbs, sanitary ware, tiles, to kitchen equipment. For the retailers, the till is the guide, although anecdotal information from Georgian shop assistants suggests that female shoppers are increasingly evident.

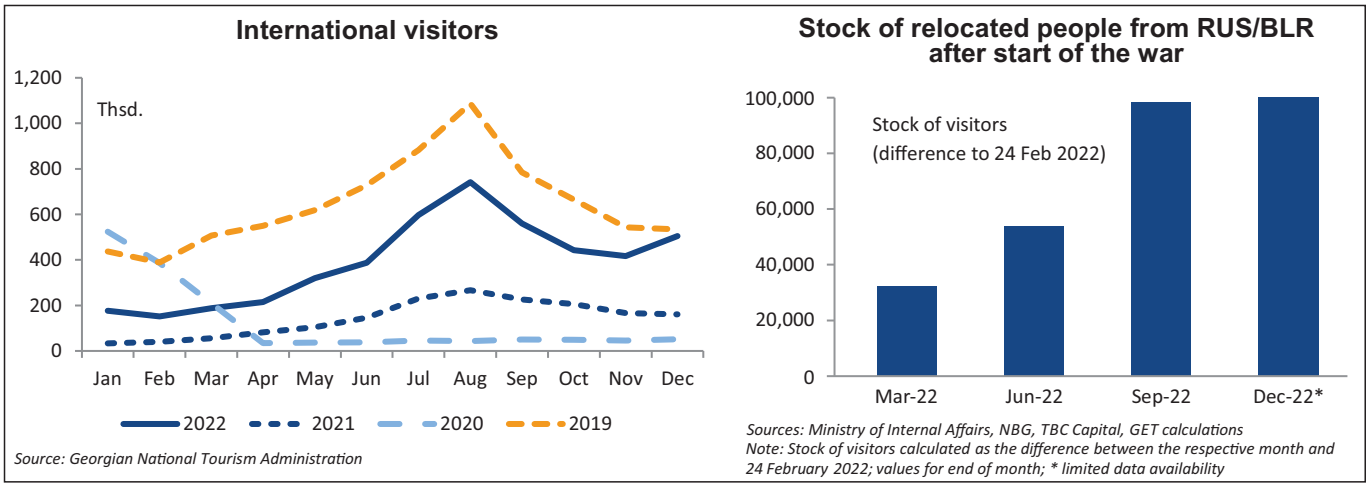
In the U.S. and Europe, surveys and analysis shows that "93% of women have completed a DIY project," and, according to U.S. consultants Empathy Research, "49% of women said they really enjoyed doing DIY projects but 57% felt that sales people don't think they're knowledgeable on DIY due to their gender." A significantly larger proportion of women (53%) than men (44%) believe, Empathy Research found, that DIY projects were a good way to spend their time.

External trade

The DIY boom is doing more than helping retailers expand. While imports have been rising at an annual rate of 4.5% (the first nine months of 2022 recording a $1.6 billion figure), local production of renovation materials has also been rising. The figures were up 18% at $291 million in total in 2021, though, according to Galt & Taggart, accounting "for only 18.9% of total demand." Its analysts add: "The largest production is observed in plastic goods, such as tubes and pipes, doors and windows. Production of goods from wood also increased in 2021 – overall shares of local products was 27% for furniture and lighting and 5% for household appliances. Lowest dependency on imports is observed in the wires and cables category – local products accounted for 53.6% of total demand."

The sector is even finding business overseas. Export of materials and home improvement products reached $168 million in the first nine months of 2022, says Galt & Taggart, and the recent rate of growth has been 4.9%. The greatest volumes have been going to Armenia ($65 million), Turkey ($21 million) and Azerbaijan ($20 million), but the export destinations include France ($6 million), Italy ($3 million) and the U.S. ($3 million) and these apparently reflect mainly furniture sales.

Little is forecast to slow down the growth in this sector, not even the current high interest environment and high level of material prices. The risks remaining are just two, suggests Galt & Taggart prudently – a sudden reversal in migration trends and geopolitical conflicts. Of the former, at least, there currently seems no sign. ■



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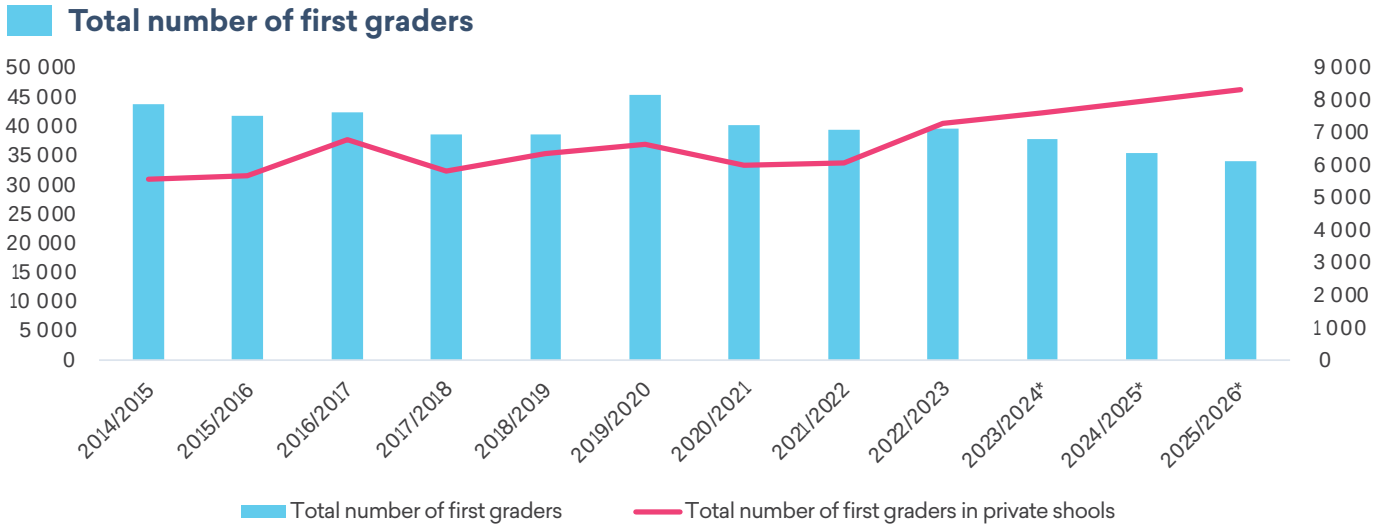
Demand for private school on the rise as Georgia's general education sector continues to grow

General Education in Georgia

Georgia's general education sector has continued to steadily increase in value in recent years and is expected to reach a record value of 1.5 billion GEL in 2023, says TBC Capital's latest sectoral report. The market, which includes grades 1-12 and represents primary, basic, and secondary education, continues to be dominated by state expenditures and will equal 1.3 billion GEL this year, a 14% increase from last year.

But while public education remains the dominant form of general education, accounting for around 90% of all students in the country, demand for private education is on the rise, says TBC Capital Senior Research Analyst Ia Katsia. "With the exception of the first year of the pandemic, which was marked by a decline in incomes and a rapid devaluation of the lari that made tuition fees denominated in dollars and euros more expensive, the number of students enrolled in private school has been steadily increasing in recent years," she says.

"If you look at the overall number of first graders enrolling in Georgian schools, for instance," Katsia continues, "this number has been steadily decreasing as Georgia suffers from a declining birth rate. Despite this, we see the enrollment numbers for first graders in private school continuing to rise – up 18% for this school year - which indicates that there is a growing preference for private education."



Source: Geostat,2023

Private Education Market

Despite steady demand, the supply of private schools is on the decline, numbering only 216 for the 2022/2023 academic year compared to 228 in 2018. This, says TBC Capital's Katsia, is in part due to increasing competition and high operating costs. "We see growing competition between private schools as well as growing fixed costs, which is pushing some small and medium sized schools out of the market or forcing them to merge with larger schools," she says. "Those private schools in particular are also having trouble attracting skilled teachers as they compete with public schools, which offer competitive pay raises for teachers that can pass certification exams." This has, in turn, led to larger average class sizes at many private schools as well as some schools instituting waitlists for prospective students.

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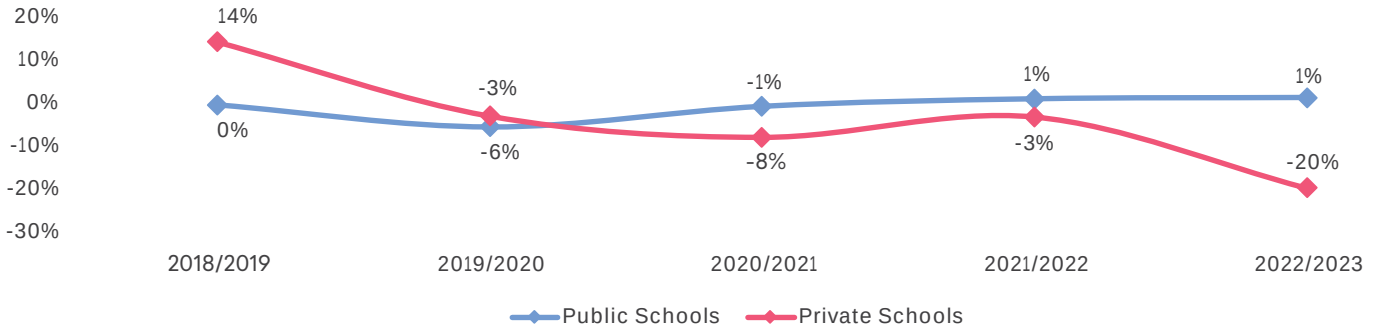
Annual growth rate of the number of teachers by public and private schools



Source: Geostat,2023

Tuition fees at private schools are also on the rise, up 10% YoY at an average of 6,500 GEL for the 2022/2023 academic year. They are also expected to jump another 5% to 10% next year as average incomes continue to rise in the country and demand remains strong. Financial statements from private schools show that their total revenue grew substantially from 2018-2021 on the back of increased tuition fees, hitting a value of 176 million GEL at the end of 2021.

Since 2018, the average EBITDA for private schools has hovered consistently around 22%, jumping to 25% briefly in 2020 as pandemic-induced online learning schemes temporarily reduced operating costs. The value of total loans for private schools has continued to increase, amounting to 106 million GEL in 2021 - a sign that expectations within the sector are positive, says Katsia. "This increased loan utilization, particularly in conjunction with a high current ratio and profitability indicators, tells us that management and business owners are confident in the market and are continuing to re-invest and expand their operations."

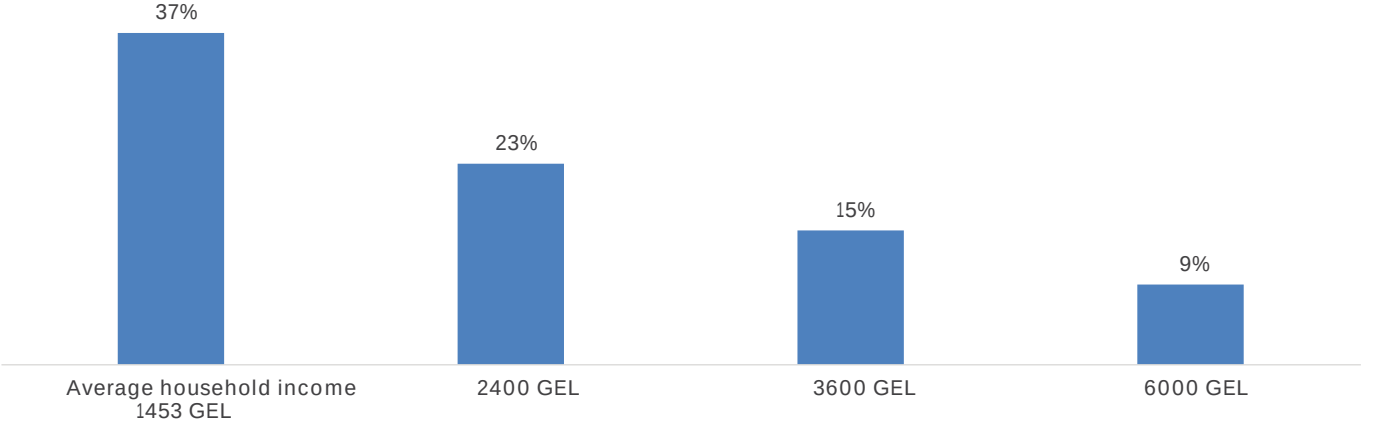
Market Drivers

As the single largest contributor to the sector, the Ministry of Education and Science represents the most significant market driver – dedicating over half of its annual budget to general education. In 2023, this funding amounted to 1.34 billion GEL, a 14% increase compared to the previous year. And while the ministry has pledged to continue increasing its general education expenditures in the coming years, TBC Capital's Katsia says the impact of increased expenditures on the quality of education offered will play an important role in defining the dynamics of the private and public education market.

"We've seen the Ministry of Education continue to increase its general education expenditures in recent years," she says. "But we've not seen a corresponding boost in international test results indicating that these expenditures have had a significant impact." Georgia's 2018 PISA results, conducted by the OECD, for example, show the country ranked 64th in reading, 67th in mathematics, and 56th in science among 79 participating countries – remaining far below the OECD average. "Private schools consistently outperform public schools in every one of these metrics," says Katsia, adding that a lack of improvement in the quality of the public education system will be a driver of increased demand for private schools in the future.

Rising income levels will also play a role in driving demand for private schools, says TBC Capital's senior analyst. "The average share of income households devote to education expenses is coming down," says Katsia, though she cautions that the current 37% level is considerably higher than, for instance, in the EU. "Private school tuition is still quite expensive for the average household to afford, but as we see incomes continue to rise, we also expect it to become more affordable compared to previous years."

Household expenditures on education, mln. Share of private school tuition



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Do Lawyers Lie?

Professional and Ethical Implications for the Georgian Legal System

Within the ongoing debate over the role – and potential dangers – of AI in different sectors, the legal profession found itself at the center of this discussion as widespread media reports recently detailed the case of New York lawyer Steven A. Schwartz, who is currently facing potential sanctions over citing fake cases generated by ChatGPT in a legal brief. While it is worth noting that Schwartz appears to have had no intention of presenting false information to the court, his neglect in verifying the outputs produced by AI begs another important question – what happens when a lawyer lies?

When a lawyer lies in court, it not only diminishes their credibility for future cases and tarnishes their reputation among peers, but it can also negatively affect the outcome of the case. Once a lawyer is caught lying, a judge may become skeptical of their other assertions and even shift the burden of proof. Consequently, the cost of lying can be quite significant. However, there is an even greater issue stemming from lawyers who lack truthfulness in court: the damage to the reputation of the entire legal profession.

It's worth noting that the legal profession holds honesty and integrity as core principles, and lawyers are expected to adhere to strict ethical standards. The legal profession strives to maintain the integrity of the judicial system. In a judicial system where some lawyers lie, lawyers' statements are not presumed to be true. The judge or opposing counsel are more likely to suspect an intention to delay proceedings or gain some other unfair advantage. Because of this, lawyers would then be required to present actual evidence for everything they assert, including minor procedural matters. For the judicial system to work more effectively, it is imperative that the reverse be true: a lawyer must be presumed honest unless proven otherwise.

But what are the consequences for lawyers who lie within the Georgian legal system? Anecdotally, I can recall an instance in which opposing counsel once addressed me during a hearing in front of a judge. "Mr. Tabatadze, I will share a secret with you. In Georgia, lying in court is not punishable," he asserted, after I had exposed his contradictory and misleading factual statements in two

ongoing cases. In this case, while no official sanctions were levied for this statement or his use of falsehoods, the opposing counsel lost credibility in the eyes of the judge, which ultimately resulted in him losing the case. However, his lack of formal censure could be the result of an effect brought about by three factors within Georgia's legal system.

1. Ambiguity in the Ethics Code of the Georgian Bar Association (GBA).

While it is universally acknowledged that dishonesty is not acceptable, the legal consequences for such behavior are not clearly defined. According to Article 9 (1) of the Ethics Code of the GBA, a lawyer who is involved in a case before the Georgian or foreign courts and tribunals shall respect and uphold the rules of that court and tribunal. Section 3 of the same article states that a lawyer shall not knowingly offer evidence that the lawyer knows to be false. This provision is problematic in two material respects. One, it does not cover any other possible scenario of dishonesty, of which there could be multiple, nor does it provide for an open-ended list. Two, the general statements in the Code are insufficient to tackle such a complex and delicate issue. To address this, it is imperative that the Code of Ethics be thoroughly reviewed and its articles revised. The GBA could, for instance, adopt Rule 3 of the Model Rules of Professional Conduct by American Bar Association, which provides more comprehensive standard of conduct in front of the tribunal.

2. Failure of judges to condemn and punish dishonesty and recognize honesty.

Currently, judges have powerful tools to punish and prevent deceitful actions by lawyers. Despite the absence of specific regulations in the Code of Civil Procedure to address such cases, judges still possess the authority and ability to penalize deceitful behavior and acknowledge and reward those who exhibit honesty. For example, if a judge detects dishonesty from a lawyer, he can reject the lawyer's explanations as persuasive evidence, consequently shifting the burden of proof. Furthermore, judges have the authority to report such lawyers to the Georgian Bar Association, which holds the power to impose sanctions on its members. However, Georgian judges rarely, if ever, use such tools to display greater assertiveness in acting against dishonest lawyers.

3. A fundamental misunderstanding of the role and purpose of a lawyer in protecting the legal interests of their client.

Certain lawyers may hold the belief that their primary duty is to safeguard their clients' interests at all costs, even if it means employing deceptive tactics. Such lawyers need to understand that building a strong reputation and maintaining integrity prove to be more advantageous in the long run than trying to achieve a single success through deceitful actions.

Consequently, although improvements are needed in regulations and practices, the existing remedies can be sufficient to address this issue. It is crucial to emphasize that lawyers have a professional obligation to uphold truth, fairness, and justice, which are essential for the effective functioning of the legal system and the preservation of public trust.

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Head of Litigation

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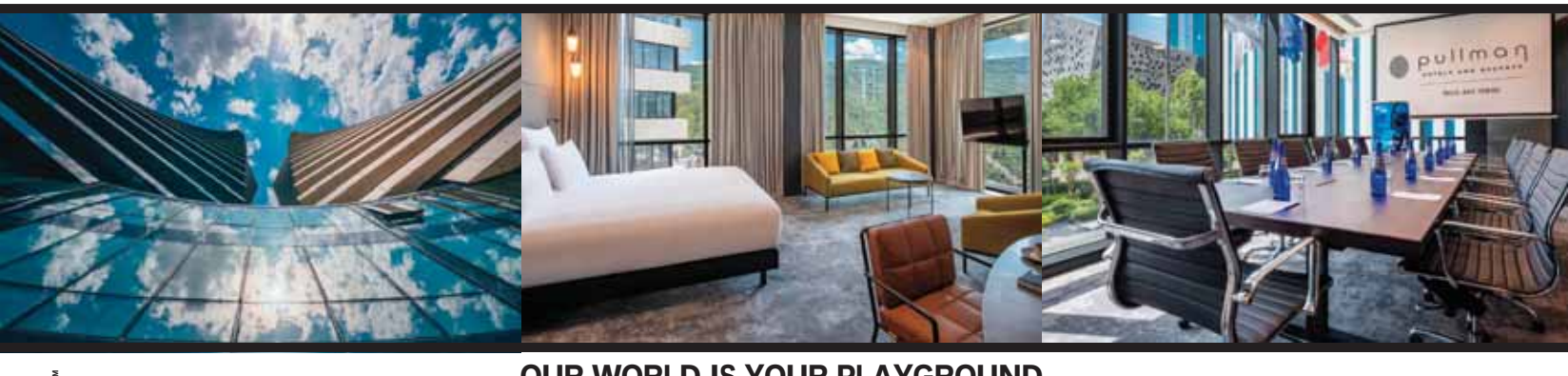

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Why Georgia's insurance market is poised to grow 30%

A self-proclaimed nation of petrolheads is about to run into some road checks. Starting in the beginning of 2024, motor third party liability insurance (MTPL) will become obligatory for Georgian motorists, bringing with it new costs and penalties.

SALLY WHITE

Currently, according to Georgia's State Insurance Supervision Service (SISS), only 10% of the country's cars are insured, so for insurers, the scope for growth is huge. For consumers this will have the most impact of the many insurance industry changes planned. Coverage levels are even lower for motor than in other liability markets which the industry is now eyeing, including infrastructure, building, and architecture.

This long-awaited move-in on drivers, a part of Georgia's efforts to harmonize legislation with that of the EU, has been three years in gestation and is great news for the Georgian insurance industry's 18 members. It is likely to increase the size of the market by 30%. It is also bringing excited comments that this, along with the passing into legislation of internationally recognized standards, will help build an attractive regional insurance hub.

Asked what would boost Georgia's international insurance potential, Devi Khechinashvili, chair of the Georgian Insurance Association, says: "I think there will be a growing interest from professional actors after the introduction of regulations that are international standards (first of all, proper MTPL). Then, retail (the category for the whole range of consumer needs from travel to home and contents) in general is unexplored and has enormous potential."

Motorists may baulk at yet another additional cost, but the "the cover and tariffs proposed are affordable – less than one lari per day," Khechinashvili points out. Policies will start with fixed tariffs that depend on the type of vehicles and size of motor, and after three trial years, the industry is hoping to be able to produce reliable statistics that enable it to price policies based on a driver's individual risk profile.

"We are currently working to provide consumers with a variety of vehicle insurance options so that people can use customized products at various price points," says Aldagi, the longest established insurer in the Georgian market and the lead in personal and commercial lines. "As for MTPL prices, the market will be experimenting during the first three years and there may be some adjustments of price in accordance with the general data and the number of accidents."

What about the penalties? Devi Khechinashvili believes that: "Penalties don't need to be particularly high. The existing system of penalty enforcement is effective. I think it will be important to organize payments in such a way that a driver needs to buy insurance before he can pay the penalty."

While MPTL is not going to make the companies a fortune (it is investments and add-ons, and not fees and charges as some policyholders might believe, that provide motor insurer's main profits,) it will benefit both government and the industry in other ways. Mandatory motor insurance helps raise road safety levels, research shows, probably takes polluting old bangers off the road, and leads to cuts in government emergency healthcare spending. Plus, the handing-over of credit and other data by over a million new customers should give the insurers plenty of leads for potential business in their full range of products.

Other changes in the market

Behind the scenes other changes are being lined up, in common with insurers globally. While around the world consumer preference is for personal service, the digital revolution could save the industry billions, so insurers are pressing on with going digital, using modern technology to assess risk, thus improving underwriting performance, streamlining back offices and fine-tuning and personalizing interaction with clients. "The system of offering/selling various insurance products through digital channels is developing more and more, and growing. It should be outlined that in order to avoid unhealthy competition in the market, it was also considered to sell compulsory MTPL policies through online channels," the head of the SISS, David Onoprishvili, told insurance media group XPRIMM a couple of months ago.

For health insurance, already around 85% of claims are made online, according to GPI, the largest Georgian insurer by premiums in 2022. The company invests "several million GEL a year for technological development" and has introduced an app, MyGPI, to serve as a focal point of digital contact with clients.

While Georgia's insurance market overall looks quite healthy, ending 2022 with an increase in premiums of 18% to around GEL 909 million compared to the GEL 495 million they paid out for claims, that was largely due to inflation, said Paata Lomadze, GPI's CEO, in an interview with XPRIMM. The market is looking for new products in order to drive growth. Among the market product range, life insurance last year only slightly increased market share and there was a rise of only 1% in the issue of private health policies.

What at GPI could lead future development since health, auto, and property did well for it last year? Paata Lomadze told XPRIMM that apart from cargo and marine, the development of professional liability insurance looked promising: "this can be both medical liability and liability insurance for architects and lawyers... The level of professional liability has great potential."

Aldagi expects that development of its second largest P&C Product (personal lines in property, commerce, and casualty) will follow with an emphasis on property. "Currently, the size of the property insurance market is around GEL 100 million, which represents about 20% of insurance premiums. However, most property insurance consists of loan-based insurance (thus enforced)," it points out, and not a voluntary bought, commercial purchase.

Both insurers and governments have to learn this market as the consumer side is relatively new for a former USSR country. "Motorists are inclined to view it as a form of tax rather than as a protection against personal liability – a concept that is not familiar to the general public," says Aldagi. Though the gap between what insurers believe that they should sell, and what consumers actually want to buy, is large in all markets internationally.

Market size

Georgia's entire insurance market is ▸▸

miniscule, even by regional standards. "The share of insurance in Georgia's GDP is just over 1%, which is 2-3 times less than in Eastern European countries, while in developed countries this figure is even higher - about 6-7%," says David Onoprishvili. However, Georgian insurers "managed to avoid significant losses" through the pandemic crisis and have weathered the ongoing war in Ukraine well. Last year, medical insurance policies rose by 23%, motor casualty by 16%, MTPL by 46%, and life insurance by 25%.

To give a few more numbers on the motor business, the size of Georgia's car fleet last year was estimated by Georgia's statistics agency, GeoStat, at 1.3 million – up 5% on the previous year, with 529,300 vehicles registered in Tbilisi (a rise of 20%). According to the financial accounts of Georgian insurance companies, in mid-2022, only around 108,000 were insured, states online media Business Georgia.

Listed by Business Georgia as the largest motor insurers with their vehicle totals were: TBC Insurance (14,259); GPI Holding (11,696); Aldagi (10,600); New Vision Insurance (6,046) and PSP Insurance (5,492). Motor insurance was described as the second segment after health insurance. In the first half of 2022, premiums amounted to GEL 84.4 million, up GEL 10 million in 2021. Total paid claims of motor insurers reached GEL 54.6 million.

More change behind the scenes includes the growth of "embedded insurance," in which the policy is sold along with the product or service – a car, for example – very popular with insurers as the customer is delivered to them with minimal sales effort. Aldagi puts its share of the embedded market at around 33% and says it is likely to grow as technology plays an increasing role. Aldagi went largely digital from the onset of the Covid-19 pandemic and launched the first digital insurance app – the Backapp, which uses the driver's record and mileage covered to set the tariff.

A new strategy in another direction announced by Aldagi at the end of last year was a move into re-insurance – insurance for insurance companies, in which risk coverage is offered to other insurers This is a first in Georgia and has attracted regional interest.

Increasing confidence in Georgian insurance is that, in line with EU models, the increase in commercial innovation is coming against the background of new rules, legislation, and monitoring systems, as well as tightening up of financial standards and oversight. The actuarial function in insurance companies is becoming mandatory and all insurers will have an actuary – a professional with advanced mathematical skills who deals with the measurement and management of risk .

Hopefully these moves, the products, regulations, and controls will help overcome two major challenges remaining: the attraction to Georgia for international capital and international players. As Aldagi comments, success in developing the Georgian insurance market could both expand customer experience and provide investment tools to bring financial benefits. ■

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Good for the bottom line - hospitality industry highlights green initiatives that save money

Environmentally sustainable business practices are not only good for the environment and the people of Georgia, but are essential bottom line priorities for business. This is particularly true in the hospitality and tourism industry, where Georgia's hospitality industry is trailblazing successful models for others to follow.

As Iva Trifonov, General Manager of Sheraton Grand Tbilisi Metechi Palace points out, this sustainability drive is reflected in the traditional practices of bakers throughout Georgia, who wrap the iconic shoti bread in paper rather than plastic. She believes this practice shows respect for both the bread and for the environment. It is her hope that Georgia's businesses can take inspiration from its bakers and eliminate plastic bags and packaging completely.

Her hopes are well founded. There is a paradigm shift towards more ecologically sound business practices within Georgia's hospitality industry. The collaboration between prominent international hotels, AmCham, USAID, the Adjara Ministry of Finance and Economy, and recycling firms Kere and Biodiesel, is creating a vibrant blueprint of waste commercialization, job creation, and effective product utilization.

The tourism industry benefits substantially from companies protecting the environment and promoting sustainable practices. More and more tourists are looking for eco-conscious lodging and experiences when they travel. For companies, the cost of high energy usage and overconsumption of single-use waste negatively impacts the bottom line.

Hospitality companies of all scales save money by decreasing their waste, implementing proper solid waste disposal, and reducing their consumption. Implementation of sustainable environmental practices strengthens the tourism industry and ensures that Georgia remains a desirable tourist destination for future generations. From entrepreneurs to large corporations, each of us has a vested interest in doing our part in protecting the environment to fulfill our personal and corporate social responsibility.

Partnerships increase environmental protection, profit

Companies are recognizing the monetary benefits derived from sustainable practices: from cost savings in waste reduction, to job creation in the renewable energy sector. In this vein, USAID-supported, private-sector-led partnerships are driving significant reduction in waste generation, elevating the commercial aspect of solid waste management, and creating employment opportunities.

Partner workshops have cast light on the pressing need for solid waste management, and highlighted practices others can adopt. At one such workshop, Hilton Batumi noted that 60% of the world's waste is not recycled or disposed

of properly, and 70% less energy is needed to create products from recycled materials than raw materials. At hotels, for example, one kilogram of waste per overnight guest is generated each day. Recognizing these conditions, Hilton Hotel Batumi began monitoring their waste and discovered that the hotel threw away 130,000 glass bottles, 452,000 plastic bottles, and 99,000 aluminum cans in 2020.

These data points outlined the imminent need to implement recycling systems, driving a shift towards more sustainable business models. Hilton Batumi appointed champions for specific environmental issue areas and began rewards initiatives within their company to encourage participation in solid waste management. The hotel saves money by purchasing larger product dispensers, which also cuts down on waste, and keeps better inventory to decrease the amount of ordering and avoid overstock spoiling.

Thanks to their fruitful partnership with Kere LTD, Hilton Batumi delivered 500 kilograms of glass in May. Their introduction of recycling systems and appointment of environmental stewards has led to significant savings and waste reduction, a model that others in the industry can adopt. More generally, the success of this initiative is demonstrated by the recycling of over 105 tons of glass waste from partner hotels between February and May.

Hilton Batumi's General Manager Patrick Naughter joined with USAID and other partners to commit to reducing solid waste generation and recycling - saving his company money!

Promoting a "Waste Not" approach, Sheraton has set ambitious targets to reduce food waste by 30% by 2025. To achieve their goals, they developed a sustainability tracker that measures energy consumption per square meter, intensity of water usage in occupied guest rooms, and other data. They have demonstrated waste of single-use plastics by upcycling shampoo bottles into an animal sculpture and want to inspire others to creatively tackle waste management issues.

Moreover, this momentum is being transferred to other industry leaders, such as Radisson Blu, Castello Mare, GMT Group, Ambassador, and the Adjara Group, and local recycling companies and smaller hospitality businesses are also beginning to pick up the trend. The collaboration between large hotels and local recycling companies is creating an evolving best practice model for smaller enterprises. Replacing plastic toiletries with refillable containers, turning waste into new products, and conserving water and energy are strategies within grasp for businesses of all sizes, benefiting both the environment and their bottom line.

Iva Trifonov, General Manager of Sheraton Grand Tbilisi Metechi Palace, hopes that plastic waste can be reduced if more companies think the way Georgia's shoti bread bakers do.

Benefit for other sectors

The success of these USAID-supported initiatives, however, is not limited to the hospitality and tourism industry: businesses in many sectors of Georgia's economy profit from environmental stewardship. When an industry shifts ▸▸

to installing renewable energy sources on its properties, jobs are created for the manufacture, installation, and maintenance of the machinery. As waste management and recycling companies like Kere LTD and Biodiesel thrive and expand, they and their competitors are hiring more skilled labor and creating better jobs across Georgia. And industries like light manufacturing benefit from lower production costs when using recycled materials.

By adopting environmentally friendly practices, enterprises can contribute to environmental protection, strengthen the tourism industry and Georgia's economy, and create substantial job opportunities. The collective efforts, from bakers using paper instead of plastic to hotels partnering with local recycling centers, encapsulate the essence of sustainability, enabling companies to protect the environment while optimizing their business operations. ■

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Pace Group is the largest Georgian-American transportation company with the port and logistics infrastructure, covering maritime agencies, brokerage, logistics, container services, port, and terminal operator companies.

The Group has started operation in Georgia in 1992, delivering American humanitarian aid cargo to the Caucasus region. Over the years, the company has become a regional player with more than 1,000 employees, owning and operating the Poti New Sea Port as well as operating eight berths of Poti Port.

Last year was particularly vital for the company as one of the largest projects in the Georgian Maritime sector, the New Poti Sea Port was unveiled. The project, with a total value estimated at USD 120 million, is expected to handle an additional 2.5 million tones of cargos annually, which will almost double the company's current annual cargo turnover of 3 million tones. The U.S. Government supported the project financially through a USD 50 million loan issued by its international Development Finance Corporation (DFC).

"We are proud to be the largest and oldest privet company in the supply chain sector of the region. Along with the development of the country, Pace Group manages to attract more and more traders. Georgia is already a transit hub and opportunities in the region are growing at a rapid pace" – says Irakli Kervalishvili, Pace Group co-founder.

Now when the role of the Middle Corridor has become crucial for regional cooperation, Pace Group is keeping up and plans to build a new berth in the harbour of Poti New Port. The company believes that the growth rate of cargo turnover in the Georgian corridor will continue increasing.

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Bank of Georgia is committed to making a positive impact on society through its corporate social responsibility (CSR) strategy. At the heart of this strategy lies a strong emphasis on education. Recognizing the transformative power of education, the bank has made it a top priority to support and invest in educational initiatives including but not limited to: funding scholarship programs for high-quality education abroad, setting up educational spaces, promoting general education, and providing access to educational resources.

Since 2014, Bank of Georgia has been supporting the Fulbright Program in partnership with the US Embassy. Over the years, the partnership has resulted in the sponsorship of eleven scholars, facilitating educational opportunities and cultural exchange between Georgia and the United States. Through strategic both Bank of Georgia and the US Embassy work together towards fostering a brighter and more inclusive future through education.

TBILISI HILLS LAUNCHES DESIGN PHASE FOR A NEW MULTIFUNCTIONAL SPORT & WELLNESS FACILITY

Sport & Wellness Project:

Tbilisi Hills is designing a unique Sport & Wellness complex. This project will prioritize physical well-being and perfection, captivating a diverse range of visitors. It will blend indoor and outdoor spaces, spanning 2,000 sqm with an open pool. Accommodating up to 200 visitors, it will offer parking for 120 cars, a central hall/ reception, fire exits, and panoramic views of Shavnabada, mountains, and the cityscape.

Facilities:

The retreat caters to diverse needs, combining relaxation, fitness, and refreshment. Outdoor amenities include a relaxation pool, sunbathing area, and a café terrace with stunning views. The club features tennis and pickleball courts, a 25-meter swimming pool, sauna area, lounge/ co-working space, change rooms, technical rooms, and staff quarters, aiming to provide a comprehensive experience.

Architectural Part:

The design process for the Sport & Wellness Retreat's captivating architecture will soon begin. It will seamlessly blend functionality and aesthetics, maximizing sunlight and panoramic views. Outdoor areas will be positioned for optimal sunlight, creating a warm and inviting atmosphere. Second-floor facilities will offer mesmerizing views without glare.

Executor Company:

OAB Studio, a distinguished architectural company from Spain, is our chosen design partner for the Tbilisi Hills Sport & Wellness project. OAB Studio has been widely recognized for their exceptional work in the industry, including their projects' prestigious awards such as the 2022 Condé Nast Traveler Readers' Choice Awards for Best Destination Spas Resorts in the World for the Kaplanaya Six Senses Hotel in Turkey. This hotel has also received honors at the 2021 Condé Nast Traveler Readers' Choice Awards for Europe's Best Resorts and the 2020 Departures Legend Awards for Best Wellness Experiences. The Kaplanaya Six Senses Hotel in Turkey has earned the esteemed Hotel & Lodge Magazine World's Best Resort Award in 2019.
OAB Studio, with their expertise as a highly accomplished team behind successful global "Wellness" projects, is the ideal choice for the innovative Tbilisi Hills project. Their proven track record of exceptional projects and dedication to innovation, sustainability, and creating breathtaking spaces align perfectly with the values of Tbilisi Hills.

About Tbilisi Hills:

Tbilisi Hills Golf & Residences is a multifunctional project combining a real estate complex with an 18-hole golf course. It covers 331 hectares of land, offering land plots, private houses, and premium-class apartments with breathtaking views. A 15-minute drive from the city center, you will find a 60-hectare professional golf course and amazing nature that promises unforgettable adventures. Our primary focus is to preserve the greenery, so only a mere 10% of the entire area will be designated for future construction purposes.

PMC Research: prospects 'sweet' for Georgia's honey sector amid growing international demand

Georgia not only has a history of honey, but also a promising future, says PMC Research's latest sectoral snapshot, which shows the sweet substance has posted substantial export growth in recent years as it continues to explore new high-value markets.

LUKA TCHOVELIDZE

Georgia's honey sector

Georgian honey is not only delicious but also believed by some to be the oldest in the world. Discovered less than 50 kilometers south of Tbilisi in a Bronze Age burial site and dating back to 3400 BCE – some 2000 years older than Egyptian samples discovered in the tomb of King Tut previously considered to be the oldest – Georgia has a rich history of beekeeping and natural conditions conducive to making sought-after honey. Its woods' diverse flora, a variety of subtropical climate zones, and a special breed of Caucasian gray mountain honeybee all contribute to the region's excellent potential for producing both mono- and poly-floral honey.

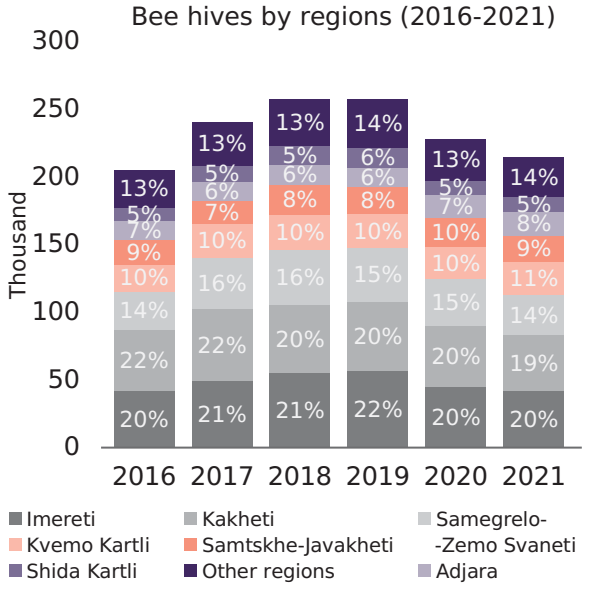
But despite increasing demand around the world, with the global honey market expected to grow from $8.5 billion in 2022 to $12.7 billion by 2029 as consumers increasingly seek out natural and organic sweeteners, production growth in Georgia remains relatively slow. Between 2016 and 2020, the country's annual average growth rate of honey production was 4%, equal to around 2400 tons, notes PMC Research's latest sectoral report.

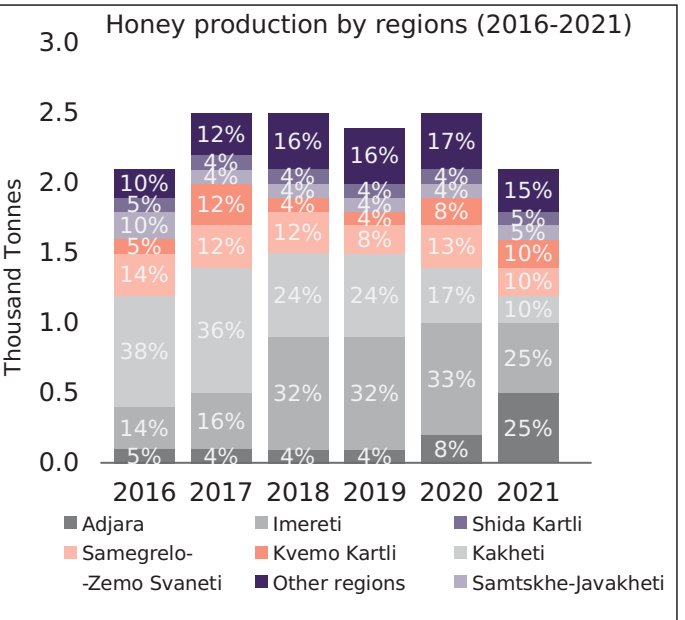
This slow growth, says researcher Nana Kajaia, is in part due to the small-scale production used to produce most honey in Georgia. "Almost all production of honey comes from small family holdings," she says, noting that between 2016 and 2022, agricultural enterprises on average covered just 6% of total production. Of the 14,000 beekeepers estimated to be operating in Georgia, many have no official registration, with only 115 businesses registered in the beekeeping sector as many instead choose to produce and sell within their local markets.

"With smaller production comes greater inefficiency but also a lack of knowledge and expertise in relation to contemporary beekeeping techniques and wider sales and distribution," she adds. "This has been a major impetus for production growth."

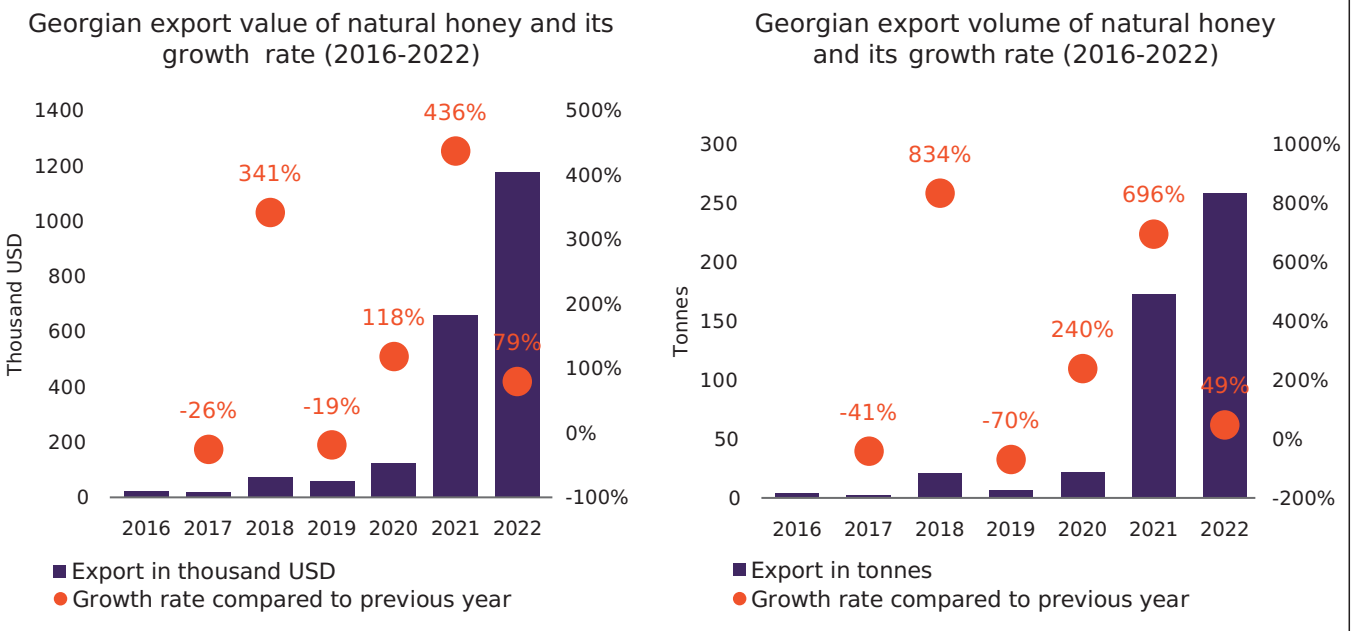
International trade

Despite these challenges in production, trade statistics show that Georgia's export market has grown substantially since 2019 as the country explores new markets and takes advantage of its free trade deal with the EU. In 2022, the export value of Georgian honey increased 79% YoY and the export volume rose 49% YoY. This, says PMC Research's Kajaia, is indicative of the higher value markets and quality honey being ex-





Source: PMC Research



Source: PMC Research

ported. "In 2022, the value of exports largely outpaced volume, which tells us Georgian honey is selling for higher prices. This is, in part, due to exporters moving into newer markets," among which France and Bulgaria together accounted for more than half of export volume and value. "If we look at honey exports to the EU, for instance – it was 86 times higher than exports to CIS countries – indicating that honey producers are really turning their attention to new, higher value markets."

Export prices have fluctuated substantially in recent years, reaching a high of $8.8/kg in 2019 and a low of $4.6/kg in 2022. Kajaia says this high volatility can be explained by differences in the countries to which honey was traded in different years. "Georgia is a new player on the international honey market and is still exploring where consistent demand is. As it begins to establish long-term relationships with certain markets, we expect these prices to stabilize towards the higher end of this price range."

Prospects

Georgia's honey sector, marked by relatively slow-growing production but high export interest from abroad, has the potential to develop into an increasingly lucrative market, says PMC Research's Kajaia. "In order to export honey abroad, it must undergo lab testing and certification to ensure it meets quality standards. Currently," she says, "a number of exporters have reported that they are unable to fill demand from external markets because their stock of certified, exportable honey has run out."

But important steps are being taken to remedy this issue. "We now have labs in Georgia that are able to provide certification," she says, noting that previously honey producers were forced to send samples abroad. "Since the beginning of 2023, under the FAO project Georgia's National Animal Identification and Traceability System (NAITS), the National Food Agency has also been ensuring the registration of beekeepers free of charge. This identification of beekeeping entities and their registration will ensure the traceability of honey, which is an important factor in food safety."

In addition to these efforts to lower the regulatory hurdles for exporting high quality honey, Kajaia says there are also ongoing efforts to share expertise among beekeepers. "The Georgian Beekeepers Union is playing an important role here in helping to share best practices and knowledge," she says. "In 2021, for instance, beekeepers saw large-scale destruction of hives around the country as the Varroidae mite developed a pesticide resistance and killed colonies, resulting in honey production declining 16.7% YoY. The union worked within the community of beekeepers to share expertise and practices to protect against the mite. Further to that," she adds, "they've been instrumental in helping small beekeepers apply for small business grants through Enterprise Georgia and the Rural Development Agency."

"While Georgia's honey export market is still developing and production is not particularly large," says Kajaia, "it has huge potential. In the past couple of years, external markets have demonstrated increasing demand for high-quality honey from Georgia. As producers become better equipped to supply and export it, we are confident the sector will continue to grow." ■

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BICT has also successfully implemented a state-of-art planning system for the container yard, which will further boost terminal handling operations. In addition, BICT has acquired additional units of brand-new heavy lift port equipment to further improve its operation and provide even faster and more efficient service to its valuable customers. With the new rolled out capacity expansion including a new storage yard area, additional handling equipment and more personnel, BICT is more than capable to rapidly expedite cargo clearance.

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BICT is a subsidiary of International Container Terminal Services, Inc., the largest, independent, terminal operator across six continents.

Paolo Iashvili and the Writer's House of Georgia

Museum of Repressed Writers opens in Sololaki

The Museum of Repressed Writers is a new exhibition in the Writer's House of Georgia, open Tuesday to Saturday, 11:00 - 18:00, and Saturday 12:00 - 19:00, on 13 Ivane Machabeli in Sololaki, Tbilisi.

HANS GUTBROD

We mostly comprehend the Soviet era through its perpetrators, and less through victims too numerous and diverse to hold steady in our minds. At the same time, the story of the period can be told through the trial of Paolo Iashvili in 1937, who as a complicated martyr, stands for many others.

The story of Paolo Iashvili is the focus of a new exhibit in the Writer's House of Georgia, which showcases him and the country's other repressed writers. The building on Machabeli Street, known to many in Tbilisi as the location of the grand Café Littera, is one of the city's premier mansions, built for entrepreneur and philanthropist David Sarajishvili in 1903-1905.

Despite upheavals, the early decades of the 20th century seemed a promising time for culture. Georgia was teeming with talent. Amidst all these writers, Paolo Iashvili had a pivotal role. Iashvili was born in Kutaisi in 1894 and became one of the leading figures of the Blue Horns group of symbolist poets. Influenced by French avant-garde poetry, this group included writers such as Galaktion and Titsian Tabidze and Giorgi Leonidze, several of which today are recalled by city street names. Russian writers came for visits. Boris Pasternak, acclaimed for Doctor Zhivago, described Paolo Iashvili as brilliant and engaging.

The heyday of these writers was the short bloom of the First Republic. After the Soviet forces occupied Georgia in 1921, the situation across Georgia turned grim. The Sarajishvili mansion on Machabeli Street was handed over to the Union of Writers. For the writers, the transaction was more devil than bargain, as the exhibit shows. The Bolshevik authorities declared that writers had to subordinate artistic impulse to revolutionary mission. Attempts at sabotage would be answered with "the language of the bullet." Many of the talented writers went quiet

or were sidelined. Some, indeed, were spoken to in lead.

During the purges of 1937, Sololaki became the focus of a terrible drama, and the Writer's House became its main stage. As detailed by Donald Rayfield, one of the leading historians of Georgia, the writers denounced each other over a series of meetings that started in May 1937.

The charges? More explicit than in Franz Kafka's Trial but no less absurd. Writers needed to defend themselves against the claims that they had been friends with people who had fatally fallen from Bolshevik grace, such as Gogi Eliava of phage fame, or Vladimir Jikia who had built the Rioni dam. The trial in the Union of Writers unfolded in consecutive sittings over several weeks. In contrast to Kafka's novel, written more than twenty years earlier, it was at first not clear who the accused would be. The people who were present, in other words, had to wonder whether they might turn out to be "Joseph K."

The meetings in the Writer's House pitted Georgia's most articulate people against each other. To speak up for anyone's defense was to risk your life. Because agents of the NKVD, the deadly repressive machine, were present, there is a detailed stenographer's account of the meeting. On July 22, 1937, after a series of attacks and denunciations, Paolo Iashvili came to the meeting, and as the presidium met, shot himself next door with a hunting rifle.

The booklet for the exhibition, written by Archil Kikodze, describes the pandemonium that ensued. Six days after the suicide, the Union of Writers met again, and condemned Paolo Iashvili as a "pariah, traitor, and mercenary."

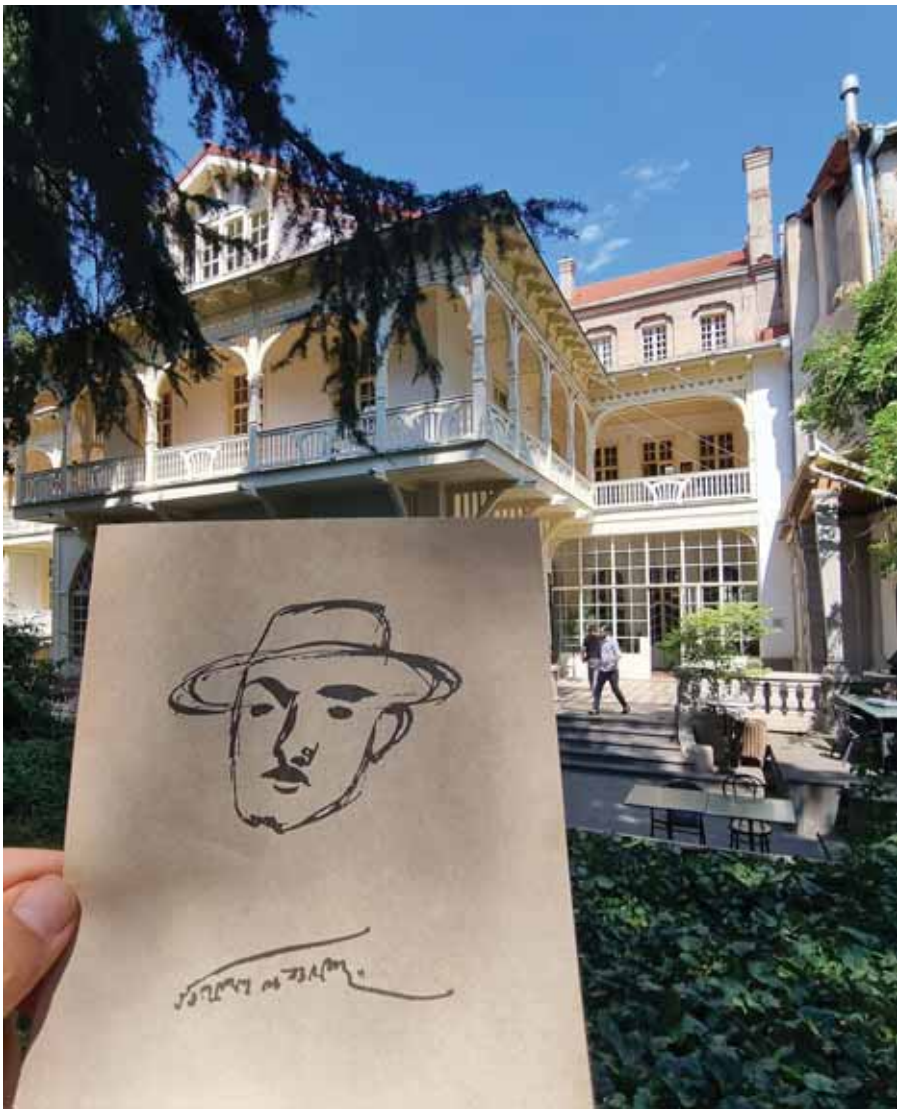
This story of Paolo Iashvili is now on display in the two rooms of the newly opened Museum of Repressed Writers at the Writer's House. The exhibit has been designed by Mariam Natroshvili and Detu Jincharadze, a duo of visual artists who have also developed Georgia's contribution to the 2022 La Biennale Di Venezia, based on documents collected by the Soviet Past Research Laboratory (SovLab) and with financial support from the U.S. Embassy.

It is a visually powerful exhibition, with key quotes in large letters, period photographs, and selected objects from the time, beautifully lit. Not all texts are translated into English, but Google Lens makes their meaning accessible.

Natasha Lomouri, the director of the Writer's House of Georgia, says that a major reason for setting up the exhibit was that they discovered, to their astonishment, that visiting tours of school kids had no idea that some of their beloved poets had been murdered by the Bolshevik regime. According to Lomouri, "it felt right to fill up that huge gap in our educational system – to tell these stories through an interactive museum in the very same place that has witnessed some of the most tragic processes in our history."

When you remarry – always tell the truth

Iashvili was a martyr, but not a saint. He had been implicated in Bolshevism in various ways. In his trial, he apparently tried to better his situation by incriminating those that he probably thought were already doomed. In this way, Paolo ▸▸



Paolo Iashvili is at the center of the newly opened Museum of Repressed Writers

Downstairs at the Writer's House.

Iashvili comes across as deeply human.

That impression deepens when you read his own words. The centerpiece of the exhibition are letters in the second room, arranged as in a shrine. After hearing the news of Paolo Iashvili's death, Boris Pasternak writes to Titsian Tabidze "what can I say? For what is it to me, such unthinkable suffering, the equal of which I have never known." Pasternak adds that "we'll all be judged." Tabidze would be arrested ten weeks later and murdered before the year was up.

In his goodbye letter that references their daughter, Paolo Iashvili writes to his wife that "I am dying with a feeling of clarity, and for that reason I feel sure you and Medea will overcome this misfortune." Acknowledging that it will be difficult, he points her to a possible future: "When you remarry, try to make sure that Medea does not lose touch with our relatives and loved ones."

The most heartbreaking letter is to Medea. He begs his daughter for forgiveness. "When you grow up and consider my fate, you'll be convinced that it was better for me to die, you would have been unhappier if I had not killed myself today. [...] I can't write any more, goodbye, my darling! Medea, Medea, goodbye! Study well, work hard, always tell the truth, try to become a woman of renown, love your motherland, never forget your family and your father."

The trial of Iashvili, the judgement against the Soviet Union

What brought that terrible scythe to so many writers? Whatever the immediate trigger, the purges were primarily the consequence of deeply insecure people in total control, acting out their twisted anxieties on others. Not giving these wretched pharaohs of destruction too much attention is, too, a reason why the story of that time should be told through those who managed to recover dignity against fatal odds.

The exhibition presents this counterpoint with a quote from Iashvili. "I have faith that the sun will yet rise to fall upon our exalted heads." On a most existential level, Iashvili shows that you can do the right thing after you have done the wrong thing, too. It was the deadly trial of Paolo Iashvili, but the summary judgement was against the Soviet Union itself.

At the price of his life, Iashvili left a legacy of symbolic capital that can increase if spent wisely. If one centers the story on Iashvili, a few measures suggest themselves. More emphasis could be given to July 22 every year to commemorate Iashvili. Involving the President in this effort would invest the date with ceremonial significance. Also, perhaps rather than whack-a-moling the Stalin statues that are sprouting across the country, a more compelling impact could be had by putting up a statue of Paolo Iashvili right across from them. In the most extreme version, the empty plinth in Gori, from which the Murderer-in-Chief's statue was removed at night on June 25, 2010, could be filled, on some future July 22, with a large statue of Paolo Iashvili, as a presence to counter the violent ghost of that town.

Some writers have written on what happened in the Writer's House more than 80 years ago. Davit Gabunia's play Tiger and Lion (2018) tells the tale of Tit-

sian Tabidze, Paolo Iashvili, and Mikheil Javakhishvili (another victim) via the two stuffed animals that witnessed the events in the wood-paneled rooms. The play has been staged in Germany also, to favorable reviews. Tamta Melashvili has traced other manifestations of Iashvili as an author. The critic Maya Jaggi has written about "Resurrecting the Poets of Tbilisi" in the New York Review of Books in 2022. These evangelists capture different aspects of a sacrifice that continues to resonate.

That this epoch should be seen in apostolic terms had already been suggested by Mikhailael Bulgakov in Master and Margarita. Through the trial of Jesus as Yeshua Ha-Notsri at the hands of Pontius Pilate, the book, mostly written in the late 1930s, connects the Soviet Union to the skulls of Golgotha. Is Master and Margarita, sometimes described as one the 20th century's most remarkable novels, allegorical about the events in Tbilisi at the time? It contains various hints, including being set at a literary society in a beautiful mansion, named after Alexander Griboyedov, a diplomat and poet buried in Tbilisi's Mtatsminda Pantheon. At least, the novel captures that what was going on was a rupture so apocalyptic that it required a biblical register.

Donald Rayfield, the British historian, has been the main chronicler of the trial in English, having published a longer piece based on the original NKVD transcript in 1990. Rayfield ends his remarkable article harshly, pointing to Paolo Iashvili's complicity in Bolshevism: "Perhaps, in the final analysis, Paolo Iashvili was morally as well as physically responsible for his own death." A more compassionate reading would focus on Paolo Iashvili's ultimate distancing, rather than his previous enmeshment.

Osip Mandelstam, one of Russia's main poets of the 20th century, has suggested, with reference to the composer Alexander Scriabin, that how an artist dies is a last creative act, shining a light on his entire life. Paolo Iashvili confronted the inevitability of his fate to make a statement beyond anything that words could say. Taking his own life publicly at such a central location marked a final moral stance. It implied the bankruptcy of Soviet rule. Paolo Iashvili also clarified that truly authentic stories, especially stories of sacrifice, remain irrepressible.

Great museums change the way we see

Good museums offer engaging things to look at. Great museums change how we see the world. The Writer's House of Georgia is an enchanting space – and after visiting we can recognize more clearly that its significance reaches into the present day, up to the recent attack on Salman Rushdie.

Earlier, Paolo Iashvili's goodbye letters were described as arranged as if they were a shrine. If you care about writers, about their memory - Georgia, Tbilisi, the Writer's House of Georgia, and the Museum of Repressed Writers are worthy of a pilgrimage. ■

Hans Gutbrod teaches at Ilia State University. He is on Twitter at @HansGutbrod.

The exhibition is well-crafted, displaying items, texts, photos and video.

Celebrating 30 years of the Salvation Army in Georgia

Marking its 30th anniversary in Georgia this year, the Salvation Army has touched the lives of countless individuals in Georgia through its programs and initiatives. From summer camps and after-school programs to elderly social support, the organization has acted as a lifeline, contributing more than 39 million GEL worth of support to Georgia's most vulnerable residents since it began operating in the country.

This year marks the 30th anniversary of the Salvation Army's operations in Georgia. The international charitable organization, which was founded in 1865 and currently operates in more than 132 countries, first came to Georgia in 1993 at a time when the country was emerging from the collapse of the USSR and the devastating civil war that followed.

Divisional leaders Captain Revaz Bakhtadze and Major Sophia Bakhtadze who currently lead the Salvation Army in Georgia, say the Salvation Army's entrance into the country came at a time when needs were great and prospects seemed grim. "The Salvation Army first entered Georgia at what was a dark time for many," says Major Sophia. "In the early years, its work was largely based on meeting the basic needs of the population. This came in the form of providing hot meals, clothing, and medical assistance to those in need – including many who were internally displaced because of the war in Abkhazia."

In the mid-1990s, the local mission began offering after-school care programs and an annual summer camp for children around the country. The organization's summer camp has served an estimated 5,000-plus young people since its inception in 1995 and the after-school program a further 165,000.

These programs, says Captain Revaz, have given parents an opportunity to pursue work opportunities without worrying about their children – it also played a pivotal role in his own journey to join the mission. "Our after-school programs offer parents peace of mind to be able to work while their children are in a safe place," he says. "With us, the children can have something to eat, work on their homework, and explore new hobbies and ideas through, for instance, English or computer lessons as well as art classes and a music or drama club."

"I first heard of the Salvation Army when I myself attended the summer camp," Captain Revazi continues. "Being a young person in the 1990s was difficult – it was a dark time for many. The Salvation Army really stressed that I could have a bright future if I focused on my education, and it gave me the opportunity to do that. As I got older, I felt called to be a part of the mission so that I could offer others that same feeling of hope."

Care that evolves with the country

As the country began to rebuild and recover, the Salvation Army was able to expand and adapt its assistance to meet the needs of Georgians. In 2000, the mission launched its annual young leaders' seminars, and in 2007, it began offering elderly social programs to bring together members of the elderly population for social gatherings, support, and excursions. It currently also offers a local laundry program in its Tbilisi's Ponichala Corps and a shower program for the homeless, and it began its Angel Tree program three years ago – which runs during Christmas and New Years and collects gifts for children living in low-income families and orphanages.

While continuing to offer day care programs, the annual summer camp, and aid in meals and clothing for vulnerable populations, the Salvation Army now operates in four main cities and eight total corps locations across the country, all managed by local Georgians. "When the Salvation Army first began operating, it was primarily run by foreigners," says Captain Revazi. "It's remarkable to witness a new generation of Georgians stepping up to serve their fellow Georgians. We now have 17 officers, a dedicated staff, and over one hundred volunteers—all from Georgia—running our programs."

Standing with Ukraine

And beyond developing to meet the evolving needs of Georgia's most vulnerable population, the Salvation Army has been at the forefront of efforts to support Ukrainians in Georgia since the onset of Russia's invasion. Since 2022, the mission has provided more than 1.5 million GEL in aid for Ukrainians in Georgia in the form of clothing, vouchers, blankets, baby formula, hot meals, and more.

While extensive assistance poured in at the onset of the conflict, the Salvation Army in Georgia remains focused on ensuring that Ukrainians continue to have their basic needs met as the war enters its second year. The mission distributes 2,700 food vouchers for families with children every month, and its Batumi corps serves hot meals to over 150 Ukrainians daily. Last year, the organization also hosted a 20-day summer camp for Ukrainian children and established a special after-school program for them.

"The extended summer camp last summer was an important step in trying to heal some of the psychological wounds inflicted on these children by the war," says Major Sophia, noting that the camp offered children a safe place to relax and attend therapy sessions and excursions. "The after-school program is an important part of helping these Ukrainian families integrate into Georgia. Since many men are still fighting in Ukraine, our program gives mothers an opportunity to pursue employment without worrying about their children. It also allows the children to have a hot meal, work on their homework, and learn Georgian – which is crucial to helping them feel more settled and at home in Georgia."

Partnering to make a wider impact

Beyond the Salvation Army's impactful work over the last 30 years, Captain Revazi notes the organization's mission continues to evolve. "Georgia as a country has come such a long way over the last 30 years," he says. "We are so happy to see how much our Angel Tree program, for instance, is continuing to grow, which is evidence of the increasing interest by individuals and businesses to give back and make a positive impact in their own community."

"With stronger economic development and a thriving business community that is increasingly recognizing the benefits of incorporating social responsibility into their practices, we'd love to see the Salvation Army partner more with local businesses," he says. "In addition to the advantages for businesses, like the benefits for their brand and increased public trust, it is very rewarding to see Georgians lending a hand to other Georgians and helping to make our country a better place." ■

In celebration of its 30th anniversary in Georgia, the Salvation Army will hold a charity gala on October 13, 2023. For more information on the charity gala or how to support the Salvation Army's work in Georgia, please send an email to info@salvationarmy.ge or call +995 0322333786.

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The Batumi bridge to Silicon Valley: Georgian startups vie for chance to compete for $1 million

Batumi is more often associated with beach umbrellas, sunscreen, and fruity samosas than with high-tech destinations. But this formerly sleepy Black Sea town is now securing a place under the sun as not only a holiday getaway but also as a second tech hub in Georgia's growing startup ecosystem.

The most recent edition of the Georgian Startup Summit & Startup World Cup Competition in late May, presided over by Silicon Valley and other investors, is yet more proof of Batumi's growing prominence within Georgia's startup ecosystem. Eleven startups, Silicon Valley and other investors, development experts, and hundreds of guests gathered in Batumi for a packed weekend of world-class expert panels on startups, VC and angel investing, networking, and how VC trends are changing the priorities of global development.

Weekend MC, Startup Grind Chapter Head and AmCham Board Member Colin Donohue opened the event with a nod to the changing perception of Batumi, noting a few years ago that "it would have been hard to visualize what it would be like to host investors from Silicon Valley in Batumi. But now it's becoming routine. It's often what people think of when they think of Batumi. That doesn't happen in every municipality of a couple hundred thousand people."

Co-CEO of US Market Access Center Chris Burry confirmed, noting that "an interesting thing is happening in Georgia right now. We're seeing momentum in startups, more and more interesting companies are coming out of the ecosystem. Now the question for Georgia is increasingly – how do you make the transition from being a startup, to being a scaler?"

Contest participants

Eleven teams tried to answer this question during the weekend's pitch competition. The hopeful companies included:

- **Arena Games**, a Web3 multiplayer mobile games platform connecting game developers and players in a simple and safe mode.
- **Artisio**, which offers a complete front-to-back auction management software solution and online bidding platform.
- **AWork**, a job-seeker application matching employers and potential employees.
- **Calen AI**, an AI-backed conversational appointment funnel.
- **Cargon**, an online freight forwarding solution that connects shippers with carriers.
- **DataMind**, a data management sys-

tem for banks.

- **Elven Technologies**, which builds flameproof battery enclosures for EVs and energy storage.
- **Kernel**, which builds intuitive financial management tools for SMBs in South Asia.
- **Kikliko**, a search platform for GIFs and memes with sound.
- **Kovzy**, which provides a direct digital ordering & payment platform for restaurants.
- **Wempler**, a platform that connects a one-time task poster and a task doer to one another.

Artisio took first prize, winning company founder and CEO Berdia Qamaruli and his team a ticket to Silicon Valley to compete in the global finale for a $1 million investment prize, and to pitch in front of 2,000 top investors and influentials in December. Founded in 2020, Artisio provides front-to-back auction management software solutions and an online bidding platform that helps businesses run online auctions and streamline auction back-office processes. It can be used for managing, monitoring, and analyzing all aspects of online auctions in real time.

Qamaruli told *Investor.ge* that despite the fact the SWC Grand Finale in December will be the largest pitch event he and his team will have participated at, they have "very high expectations. The last two years have been very successful for us, and I believe we've a good chance of winning the Grand Finale. [Our] product is unique for an industry that has been severely underdeveloped when it comes to incorporating new tech – and we've brought a solution to the market that satisfies the requirements of auction companies and allows them to accelerate their growth."

The event in Batumi, Qamaruli noted, was a great opportunity for all sorts of start-ups to meet and practice their pitches. "It was very well-organized by ▸▸

Artisio CEO and Founder Berdia Qamaruli

Kernel CEO Beka Dalikashvili

Startup Grind Chapter Head and AmCham Board Member Colin Donohue speaks at the event.

Startup Connect, and they deserve a lot of credit for that. I also want to tell Georgian start-ups that it does not matter how small you are, or how early stage you are. Just go for it. You may have an idea which is so unique that the judges may just go for it. And most importantly – think global. Georgia is a small country, but it can produce world class start-ups. We've seen this in the past few years."

The pitch event recognized several other winners too. First runner up was Kernel, a platform for simple invoicing and digital tools. Kernel CEO Beka Dalikashvili explains his team is targeting the burgeoning Indian market - "something bigger than anybody in the region has stumbled upon - where new laws are trying to bring in businesses from the shadow economy to boost state revenue." Kernel, Dalikashvili says, aims to help these businesses in this transition by assisting them with their business management needs. As for the event, Dalikashvili notes he was considerably impressed at the increased level and quality of the startup pitches this year.

Elven, the second runner up, strives to "protect human lives and property" through its innovative fire-proof material, which is capable of withstanding extremely high temperatures. Elven is quite literally shooting for the moon – well, Mars – where it one day hopes to see astronauts sent in spacesuits made with materials produced by Elven Technologies. Until then, the team has its sights set on protecting people here on Earth, where lithium electric vehicle (EV) batteries still have a tendency to cause fires given the limitations on the physics of their design. Elven hopes to use its proven insulative material to add a protective layer to EV batteries and prevent explosions from causing massive damage. Elven CEO Vamekh Kherkheulidze told *Investor.ge* that this is "our desired impact on society, to protect lives, and it is something that really makes us stand out."

Coming away from the Batumi pitch event, Kherkheulidze tells future startupers to be ready to not walk in a straight line towards their goals. "Be ready to move in zig-zags. You are going to run up against issues, and moving stubbornly straight ahead will not work. Deal with the problems as you encounter them, and adjust your approach accordingly."

Local students and future startup founders accounted for a considerable contingent of event participants. One of them, attending in full uniform, was maritime navigation student of Batumi State Academy Giorgi Turmanidze, who told *Investor.ge* he dreams of beginning his own startup to better integrate digital services and devices into ship navigation systems. He said of the weekend: "The panel discussions were very valuable to me, as they covered a lot of problems I have begun thinking about. When you want to set up a new business, it's all about problem solving, fully exploring the situation. And the speakers set out a number of ways and strategies for doing just that." ■

This event was organized by Startup Connect, and made possible with support from the EU, the Georgian Innovation and Technology Agency (GITA), USAID, and the UNDP's Mayors for Economic Growth program. Thank you to Batumi State University, Batumi City Hall, Startuperi, the Batumi Hilton and our volunteers for hosting the event.

Partner at Pegasus Tech Ventures Bill Reichert (left) handing the Startup World Cup - Georgia trophy to pitch contest winner CEO of Artisio Berdia Qamaruli (right).

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Promoting practical experience

Georgia's hospitality industry looks to work-based learning programs to meet growing labor demands

Georgia's summer tourism has just begun but it is already on track to break records this year, data released by the Georgian National Tourism Administration (GNTA) in June shows. Tourism revenue from January – May 2023 reached a value of $1.35 billion, with Galt & Taggart analysts estimating that this year could reach a record annual value of $4 billion. This comes on the back of a strong post-Covid recovery in 2022, when tourism revenue in the country reached $3.5 billion, a 107% increase compared to 2019.

And with higher revenue has also come new tourism trends for the country. Travelers to Georgia in 2022, on average, spent more and stayed longer than visitors before the pandemic – a shift away from the country's previous high-volume, low-value model of tourism, statistics from the GNTA revealed.

As the sector attempts to capitalize on these new origin markets and recalibrate into a more sustainable, low-volume, high-value model, a greater emphasis is being placed on integrating internationally recognized levels of service – a feat that has become increasingly challenging in the face of major staff shortages in the aftermath of Covid. "Despite the fact that we are seeing such a strong rebound in tourism and are operating at full capacity again, a lot of our former employees – around 80% of those we had to let go of during the pandemic – didn't come back," Director of Human Resources for Sheraton Grand Tbilisi Metechi Palace Tinatin Paradashvili previously told *Investor.ge*.

"Once you lose people's trust, it is difficult to regain. So, it has been a big task trying to recruit an entirely new staff and bring the level of service back to where it was pre-pandemic."

Raising standards and reinvigorating Georgia's hospitality workforce

To address these staffing challenges and reinvigorate Georgia's hospitality workforce, the American Chamber of Commerce launched the Best Practices and International Standards to Hospitality Industry Initiative in 2022 with the support of the USAID Economic Secu-

rity Program. The project, implemented in partnership with its internationally branded hotel partners GMT Group [Marriott Hotels], Silk Hospitality [Radisson Hotels], and the Sheraton Grand Metechi Palace, is part of a wider effort to introduce international standards of service throughout the sector.

As part of the initiative, a new hospitality skills training program was implemented, offering five- month traineeships with the program's partner hotels. Throughout the program's two cohorts, 90 trainees received more than 800 hours of on-the-job instruction from internationally certified trainers, with a focus on topics like hospitality basics, housekeeping, food and beverage service, human resources, health and safety, and sales and PR.

Many of those who graduated from the program have already been offered jobs at the participating hotels or other hospitality establishments around Georgia. "We've seen great results from the program so far," AmCham Executive Director George Welton tells *Investor.ge*. "The first cohort has graduated, and the vast majority of participants have already gotten jobs in hotels. Following the recent graduation of our second cohort of trainees on June 27, we expect even more success and anticipate that many of these participants will also secure jobs soon."

Beyond encouraging an infusion of fresh talent into the industry's workforce through its skills training program, the initiative also aimed to raise service standards across the sector. Throughout the spring of 2023, AmCham and its partner hotels hosted six workshops for regional hotels and vocational colleges around Georgia to share experience, knowledge of international standards, and best practices. These included supply chain management and procurement negotiation strategy workshops led by Silk Hospitality, food waste management and energy efficiency trainings hosted by the Sheraton Grand Tbilisi Metechi Palace, and food safety, HACCP, and hygiene seminars led by Tbilisi Marriott.

Trainees from the program celebrate their graduation at a ceremony held on June 27.

Representatives from regional hotels and vocational education schools attend best practices in hospitality workshops led by AmCham's partner hotels.

Creating sustainable growth

As the initiative comes to a close, AmCham remains committed to continuing the important progress being made to promote careers in the hospitality industry and create sustainable growth in the sector. At a joint meeting of its education and tourism committees on June 22, representatives of regional hotels, vocational education colleges, and Georgia's Skills Agency were invited to participate and discuss ongoing labor challenges within the sector. Participants overwhelmingly agreed that further cooperation was needed to ensure that more students pursue a career in hospitality and that the training they receive equips them with the skills needed to succeed in Georgia's tourism sector. Work-based Learning Development Manager at Georgia's Skills Agency Petre Tsulukidze says his agency can also play a critical role in supporting these goals.

The agency, which was jointly established by the Ministry of Education and Science and the Chamber of Commerce and Industry to promote vocational and work-based learning in the private sector, began operating in early 2022. It currently provides developmental support for three types of work-based learning ▸▸

programs: dual education programs, which involve longer term training of up to three years provided predominantly by a company; cooperative education programs, which involve training that lasts up to three years and are mainly coordinated by educational institutions; and training-retraining programs, which are typically less than a year long and primarily run through companies.

"These types of programs offer flexibility to employers and can be tailored to meet their labor needs while also taking into account what resources they have to help train the workforce," says Tsulukidze. "We can offer both financial support in coordinating and running these programs as well as technical expertise in designing them," he says, noting that the agency is currently supporting around 25 of these work-based learning programs for the hospitality sector.

Starting next year, the agency will also be working to implement qualification exams for programs, including those focused on hospitality and training. "These will help standardize the levels of training at vocational colleges and ensure trainees are acquiring the skills necessary to succeed in their field," says Tsulukidze, noting that the exams will be designed by sectoral skills organizations made up of representatives of the private sector. "It's crucial that the private sector play a leading role in designing and implementing both the work-based learning programs and the qualification exams. For one, they know better than anyone what skills they need in their workforce, "he adds. "But also, their participation in the process will give these programs credibility and play an important role in attracting prospective students."

Project Manager and AmCham Communications Director Nini Kapanadze says that moving forward, AmCham will continue to bring together voices from the hospitality sector, as well as educators and relevant government agencies to build on the success and lessons learned throughout the initiative.

"Our role at AmCham will continue to focus on facilitating these important discussions between key stakeholders. The project has served as a great proof of concept – showing not only how exciting a career in hospitality can be but also that cooperation between these stakeholders is essential to raising the overall standards of service and driving growth within Georgia's hospitality industry." ■

This article was written with the support of the USAID Economic Security Program.

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A guide to Georgia's summer festival season

The Black Sea Jazz Festival will be held in Batumi from July 28 to July 30.

Georgia is gearing up for a summer lineup of exciting and diverse events that cater to a wide range of interests. From internationally renowned concerts featuring artists like The Killers and Imagine Dragon to local music bands and cultural celebrations, this summer festival season is sure to have something that will excite everyone.

MARIAM TSINSTABADZE

Festivals

The Lagodekhi Blues Festival, now in its seventh year, will take place in the Georgian village of Lagodekhi every Saturday from July 15 to August 12. Visitors can immerse themselves in an evening of authentic blues music featuring blues guitarist Carlos Johnson, iconic blues diva Sharon Lewis, modern blues pioneer E.C. Scott, and legendary jazz and blues sensation Maya Baratashvili. Tickets are available on Tkt.ge, priced at 50, 100, and 130 GEL.

The Art-Gene Festival will take place on July 20-23 at Tbilisi's Open-Air Museum of Ethnography.

For those looking to escape the heat in the mountains of Gudauri, the Gudauri Summer Set is a must-visit. From July 21 to July 23, this festival will offer 40 hours of non-stop electronic music and mountain sports activities. Attendees can also participate in yoga sessions, mountain bike trial presentations, slacklining, paragliding, and witness a captivating kite show amidst the breathtaking Caucasian mountains. The festival welcomes attendees over 18 years old, and daily tickets start from 70 GEL.

Closer to home in Tbilisi's Open-Air Museum of Ethnography, the Art-Gene Festival invites visitors to immerse themselves in Georgia's rich cultural heritage. Taking place on July 20-23 and July 28-30, the festival will showcase Georgian folk music performers and the Sukhishvili National Ballet. It will also offer exhibition-sales, cooking demonstrations, and beer and wine tastings. The daily entrance fee is 50 GEL.

Of course, the infamous Black Sea Jazz Festival is a summer staple that cannot be missed. Celebrating its 16th year, the festival will take place in Batumi from July 28 to July 30. The lineup includes both local and international stars, such as Bedford Falls and the Soul Train on the first day, Marcus Miller on the second day as part of his European tour, and Brooklyn Funk Essentials on the final day. Daily entrance tickets for the festival are priced at 100 GEL.

After the jazz festival, the excitement will continue at the seaside with the Anaklia Komorebi festival. From August 4 to August 6, this three-day electronic music festival will feature 40 local and foreign artists. With a combination of good music and a picturesque seaside location, Komorebi promises unforget-

table summer days filled with music and fun.

For those who find it difficult to bid farewell to summer or appreciate classical music, the Tsinandali Festival offers a fantastic way to extend the summer vibes. Between September 1 - 10, the festival will host various classical music concerts at the historical estate of Aleksandre Chavchavadze in Tsinandali. Featured artists include the David Garett Ensemble, Manfred Honeck, and Giorgi Gigashvili.

Theater

Beyond the wide array of outdoor festivals, several theater performances are on tap this summer as well. The musical production "And Here We are - Mamma Mia!", based on the wildly popular movie and adapted into the Georgian language, will be touring Georgia this summer. Catch the show in Kutaisi on July 22 at Lado Meskhishvili Theater or at the Batumi Summer Theater on July 24 and 25. Tickets start from 50 GEL.

For those looking to enjoy Georgian traditional dance, there are two options that are sure to excite. Samaia - Georgian Legend's concert will be held at Batumi State Musical Center on July 25 and Sukhishvili National Ballet will hold shows from August 13 – 16 at the same venue. Tickets can be purchased at Tkt.ge, starting from 40 GEL and 80 GEL, respectively.

Starring Georgia

A government-backed campaign aimed at promoting Georgia's tourism sector is set to welcome a line-up of world-renowned musical guests to the country this summer, with events taking place at various locations in Tbilisi and the Black Sea Arena in Batumi-adjacent Shekvetili. The campaign has already announced six events, catering to diverse groups of concertgoers.

Kicking off the Starring Georgia campaign is the band Nile Rodgers & Chic, led by the iconic Grammy-winning musician, songwriter, and producer. This event promises a disco and funk extravaganza, featuring funky rhythms, catchy melodies, and a unique blend of disco, R&B, and pop elements. Taking place on August 5 at the Black Sea Arena, this legendary band's performance was recently nominated by the BBC as the "Best Live Performance" and is not to be missed. Tickets range from 100 to 250 GEL.

The fun continues without pause at the Black Sea Arena the next day on August 6 with a performance by FKJ, a multi-talented French artist. With his smooth, groovy beats, soulful vocals, and intricate live-looping performances, FKJ gained fame through his collaborative work "Tadow" with Masego, which has garnered over 451 million views on YouTube. Tickets are available on the Black Sea Arena website (Bsa.ge) for 100 GEL.

Black Sea Arena once again takes the spotlight on August 15, hosting the legendary American rock band, The Killers. Tickets

Samaia - Georgian Legend's concert will be at Batumi State Musical Center on July 25.

to see this beloved group, known for hits like "Mr. Brightside" and "Somebody Told Me," range between 100-500 GEL and can be accessed through the BSA website.

As the last days of summer 2023 approach, attendees will bid farewell to the season by welcoming one of modern music's most popular rock bands, Imagine Dragons. Tickets for this highly anticipated event, which will take place on August 31 in Tbilisi at the Mikheil Meskhi Stadium, sold out within hours on the release date.

The end of this thrilling lineup of star-filled events will make it even harder to accept the end of summer. However, pop enthusiasts will certainly perk up at the news that Bruno Mars has just been announced as the latest star to take the stage through the Starring Georgia campaign - coming to Tbilisi on October 1. ■

Imagine Dragons will play in Tbilisi's sold-out Mikheil Meskhi Stadium on August 31.

AmCham

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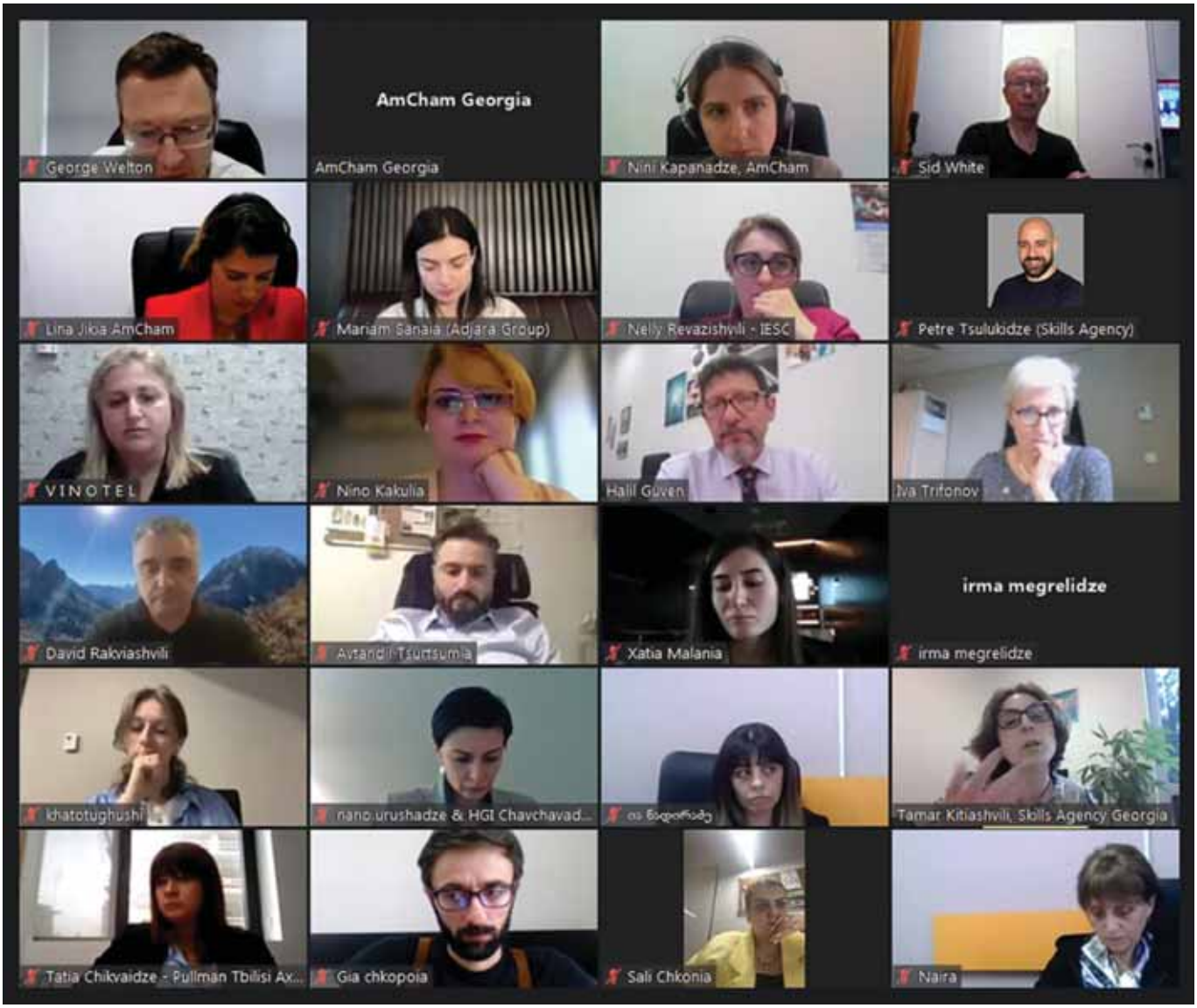
Cocktail Reception at Courtyard by Marriott Hotel

AmCham Georgia hosted a cocktail reception on June 9 at the newly re-designed Courtyard by Marriott Tbilisi's brasserie. AmCham President Irakli Baidashvili greeted guests and announced AmCham updates and upcoming events. Members used the opportunity to reconnect with friends and colleagues, and enjoyed cocktails and Georgian wine along with delicious food and desserts.

Luncheon with Turkish Ambassador Ali Kaan Orbay

AmCham Georgia hosted a members-only luncheon with Turkish Ambassador to Georgia Ali Kaan Orbay on June 14 at the Radisson Blu Iveria Hotel. Ambassador Orbay discussed Georgia-Turkey relations as well as the role of Turkey in the region. The presentation was followed by a lively Q+A, which covered a wide range of topics.



Committee Meeting

AmCham Georgia hosted a joint meeting of its Tourism and Education Committees on June 22, the goal of which was to discuss vocational education opportunities in the hospitality industry, the challenges of the sector connected to the lack of qualified personnel, and ways to improve coordination between the sector and the VET centers. The Skills Agency of Georgia and vocational colleges were also invited to attend the meeting. Several VET colleges presented their programs and shared their experiences with attendees.

Business Roundtable with Minister of Education

AmCham Georgia hosted a business roundtable meeting with the Minister of Education and Science of Georgia Giorgi Amilakhvari on June 22, who discussed the current activities and future plans of the ministry. The presentation was followed by a Q&A session.

AmCham Holds Closing Event for Hospitality Skills Project

On June 27, AmCham Georgia hosted a closing event and celebrated the graduation of the second cohort of trainees from its Best Practices and International Standards to Hospitality Industry Initiative. As part of the program, supported by the USAID Economic Security Program and implemented by AmCham in partnership with the Marriott Hotels, Silk Hospitality, and Sheraton Grand Tbilisi Metechi Palace, the second cohort of 50 participants recently completed a five-month traineeship and were introduced to international standards within the hospitality industry.

AmCham Hosts Annual 4th of July Picnic

On July 1, AmCham Georgia jointly with the U.S. Embassy in Georgia hosted a family picnic celebrating the 247th anniversary of the signing of the U.S. Declaration of Independence. More than 2500 American, Georgian and international guests enjoyed an American style picnic with a giant barbecue, live bands, live performances by Vocal Academy kid singers, bouncy castles, popcorn, ice cream, face-painting, caricaturists, a balloon show, clowns, and toys for children. The picnic also featured art classes for the kids, a gif-me, a photo booth, a photo bus, and a mechanical bull. U.S. Ambassador Kelly C. Degnan and AmCham Georgia President Irakli Baidashvili welcomed the guests. The event ended with a display from the U.S. Marines, singing of the national anthem, and a phenomenal firework show. AmCham would like to thank its sponsors for their huge generosity in making this event even bigger and better this year!

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