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From fast growth to future-proofing – what's next for Georgia's IT sector?

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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 *BM.ge*

Central bank holds rate at 8%

The National Bank of Georgia (NBG) maintained its key refinancing rate at 8% at its May 7 meeting, citing a balanced inflation outlook and persistent external risks. Annual inflation stood at 3.4% in April—near the bank's 3% target—while core inflation was slightly lower at 2.3%. The NBG highlighted that domestic price pressures remained contained, supported by a stable exchange rate and improved production capacity that helped meet growing consumer demand. Despite a one-off increase in bread prices in March and elevated global food prices, inflation remained within a manageable range. The central bank also noted that robust economic growth—averaging 9.3% in the first quarter—was driven by structural reforms and strong consumption, though it warned of potential demand-side pressures in the months ahead.

In maintaining the rate, the NBG emphasized a "cautious approach," outlining several global risks that could shift inflation dynamics. These include heightened geopolitical uncertainty, international tariff tensions, and potential fragmentation of global supply chains. At the same time, the lari's appreciation and weaker dollar could moderate imported inflation in a downside scenario. The bank reiterated its commitment to maintaining price stability and signaled that future decisions will be based on updated forecasts and evolving economic risks. The next policy review is set for June 18.

Unemployment rate rises to 14.7% in 1Q25

Georgia's unemployment rate rose to 14.7% in the first quarter of 2025, up 0.7 percentage points YoY, according to preliminary data from Geostat. The number of unemployed increased by 10.8 thousand (4.7%) to 239.4 thousand, while the number of hired employees rose slightly by 0.6% to 958,300. Self-employment declined 3% to 434,700.

The labor force participation rate fell to 54.8%, while the employment rate decreased to 46.8%. Urban employment dropped by 1 percentage point; rural employment ticked up 0.1 points. The unemployment rate reached 17% for men and 11.6% for women.

Airport traffic up 13% in 4M25

In the first four months of 2025, Georgia's three international airports collectively served 2.18 million passengers, marking a 13% increase compared to the same period in 2024. Tbilisi International Airport remained the busiest, handling 1.44 million passengers—a 13% rise YoY—and operating 7,283 flights, up 17% from the previous year. Batumi International Airport experienced the most significant growth, with passenger numbers soaring by 43.7% to 233,722 and flights increasing by 36.7% to 1,092. Kutaisi International Airport saw a modest 2.3% uptick in passenger traffic, serving 506,564 travelers, while flight numbers remained steady at 1,533.

Remittances up 6.1% in April

Money transfers to Georgia reached $342.6 million in April 2025, marking a 6.1% increase compared to the same month in 2024, according to data from the National Bank of Georgia (NBG). The growth reflects a rebound in remittance inflows after months of mixed performance, with contributions from key sending countries showing notable shifts.

The European Union remained the leading source of remittances, accounting for approximately 42% of the total volume. The United States was the second-largest source, with transfers rising 15% YoY to $52.3 million. In contrast, re-

mittances from Russia continued to decline—down 12% YoY.

The NBG also reported that the total number of transfers increased. Outflows from Georgia reached $29.8 million in April.

EBRD projects 6% GDP growth in 2025

Georgia's real GDP growth is forecasted to moderate to 6% in 2025 and 5% in 2026, supported by public infrastructure spending and initiatives in transport, energy, and ICT, says the latest Regional Economic Prospects report released by the European Bank for Reconstruction and Development (EBRD). However, the bank cautioned that risks remain, including political uncertainty, the stalled EU accession process, weakening external demand, and slower credit growth.

The EBRD also noted the NBG's cautious monetary stance, with a high real interest rate aimed at anchoring inflation expectations while balancing growth and external risks.

Georgia's economy grew by 9.4% in 2024, up from 7.8% in 2023. The expansion was driven by growth in ICT, education, public administration, trade, and construction. Despite lower migration and fading war-related inflows from Russia, domestic consumption remained strong—supported by wage growth and increased credit activity.

Trade turnover up 15.3% in Jan–Apr 2025

Georgia's external merchandise trade reached $7.76 billion in the first four months of 2025, a 15.3% increase YoY, according to preliminary data from Geostat. Exports rose by 14.2% to $2.01 billion, while imports climbed 15.7% to $5.74 billion.

The trade deficit amounted to $3.73 billion, making up 48.1% of total trade turnover during the period.

Energy exchange activity increases ahead of July transition

Trading on the Georgian Energy Exchange picked up in May, with 9,676 megawatts of electricity sold as of May 9 at a price of 125 GEL—equivalent to 12.5 tetri per kWh. According to exchange data, trading resumed on May 2 and remains more affordable than balancing electricity, which saw a 17 tetri price hike in March.

The exchange is currently operating under a transitional model, set to end July 1, 2025. Until then, electricity is traded hourly, while balancing electricity is settled monthly. From July, full platform trading will begin, including day-ahead, intraday, and balancing markets. ■

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From reform to reliability

Strengthening arbitration in Georgia

LINA JIKIA

As Georgia continues to promote itself as a gateway for foreign investment and cross-border business, one pillar remains essential to investor confidence: a reliable and effective dispute resolution system. Arbitration, often considered a gold standard for commercial conflict resolution, has made consistent progress in Georgia. Yet, despite an encouraging legislative foundation and active engagement from the private sector, arbitration still faces certain challenges in practice. Recent court decisions, mounting business concerns, and a growing necessity for further reform are converging to bring long-needed attention to the issue.

Legal framework and ongoing progress

The 2009 Law on Arbitration, based on the UNCITRAL Model Law, established a modern legal framework for arbitration in Georgia. It emphasizes party autonomy, limits excessive judicial interference, and offers procedural flexibility in line with international standards. This framework has helped earn Georgia a reputation as an arbitration-friendly jurisdiction in the region.

Over the years, professional associations such as the Georgian Association of Arbitrators (GAA) and arbitration institutions such as the Georgian International Arbitration Centre (GIAC)—along with legal practitioners—have worked to promote arbitration by publishing case materials, offering training programs, and organizing high-level conferences. These initiatives have drawn the attention of both regional and international audiences and aimed to raise the profile of Georgia as a venue capable of han-

dling cross-border disputes. In a landmark achievement aimed at developing and promoting Georgia as a regional hub for dispute resolution, Georgia signed a special Memorandum of Understanding with the ICC International Court of Arbitration—the world's leading arbitral institution—in 2018. This cooperation culminated in the first-ever publication of the ICC's arbitration and mediation rules in the Georgian language last year.

Practical barriers and business concerns

Despite improvements to the legal framework, arbitration remains underutilized in the Georgian business environment. A key issue is enforcement. Several recent court decisions have raised concerns within the legal and business communities due to the courts' broad scope of review and departure from internationally accepted principles.

One recent court ruling raised concerns by finding that simply including someone on a list of potential arbitrators—an accepted practice in both Georgia and internationally—constituted a conflict of interest if that person was affiliated with one of the parties. This ruling contradicts international norms, which view such lists as a means to enhance transparency without compromising impartiality. As a result, the court deemed the arbitration institution unfit to oversee the case, sparking concern among legal and business stakeholders

"Uncertainty in court enforcement can seriously undermine trust in arbitration that has been rebuilt in the past 15 years," says Managing Partner at Gvinadze and Partners Nick Gvinadze, a member of the AmCham Commercial Law and Tax Committee and Chair of ICC Georgia Arbitration and the ADR Commission. "Even when arbitration is conducted professionally, a single erratic court decision can undo the process and damage investor confidence."

This uncertainty has led many businesses, particularly small and medium-sized enterprises, to avoid arbitration altogether. In addition to enforcement issues, concerns persist about costs, complexity, and a general lack of familiarity with how arbitration can serve as an efficient alternative to court proceedings.

AmCham's advocacy and reform agenda

AmCham Georgia has played a pivotal role in bringing these challenges to the forefront. Through its Commercial Law and Tax Committee, AmCham has actively gathered feedback from legal professionals and businesses, drafted position papers, and participated in consultations to highlight shortcomings in how arbitration is currently applied.

These advocacy efforts have spurred broader public-private engagement, leading to the formation of a working group under the Investors Council to explore proposed amendments by the GAA to the Law on Arbitration. The Investors Council, a dialogue platform established by the Georgian government and the EBRD, brings together key ministries and business associations—including AmCham, a founding and active member—to improve the country's business and investment environment. The working group's aim is not to overhaul the law but to refine it, focusing on judicial review, enforcement mechanisms, and procedural clarity.

"Much of the law is solid in structure," says Chair of the GAA and Partner at BLC Rusa Tchkuaseli, a legal advisor contributing to the reform process. "But key areas need to be reinforced to ensure that arbitration is respected in both theory and application."

Early discussions have focused on aligning the domestic framework more closely with international arbitration practice, reducing grounds for court interference, and clarifying the role of courts as supportive institutions in the arbitration process.

Capacity building and awareness

Alongside legal reform, there is growing recognition that the development of arbitration in Georgia also depends on institutional and professional capacity. The GAA continues to offer arbitration training programs, publish explanatory materials, and foster knowledge-sharing forums. Yet a notable awareness gap remains—particularly among regional ▸▸

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businesses and professionals outside Tbilisi.

"The idea that arbitration is reserved for large corporations is outdated," notes Senior Partner and Head of Dispute Resolution at Andersen in Georgia George Svanadze, who is also a member of the AmCham Commercial Law and Tax Committee and a legal practitioner with experience advising SMEs. "We need to do more to show that arbitration is accessible, cost-effective, and adaptable to the needs of smaller businesses."

Judicial training is also a key area of focus. While some courts show a solid grasp of arbitration-related cases, decisions still vary widely. Many arbitration practitioners view more structured capacity-building for judges as essential to improving consistency and reliability in enforcement. Stakeholders have emphasized the need to expand continuing legal education programs, with a focus on practical content covering arbitration principles, procedural standards, and international best practices.

Outlook and opportunities

Georgia enjoys several advantages that support its ambition to become a credible regional arbitration venue. These include its geographic location, business-friendly legal reforms, and a network of bilateral investment treaties. The current reform momentum, driven in part by private sector advocacy, offers a window of opportunity to close the gap between legislative promise and operational delivery.

"We already have a good legal foundation, but it must function in practice," says former GAA chair and Managing Partner at Gvelebiani Law Jaba Gvelebiani. "Parties need assurance that arbitral awards will be respected and enforced in line with international standards."

Georgia appears to be approaching a turning point in the development of its arbitration system. While the law provides a modern structure, its full potential remains unrealized due to inconsistencies in enforcement and limited awareness among key actors. The growing attention to reform, sparked by private sector advocacy and policy engagement, marks a critical opportunity to build a dispute resolution system that businesses can trust.

If the current reform process delivers concrete results and addresses capacity gaps, Georgia could indeed emerge as the most competitive and reliable hub for commercial dispute resolution in the region. However, continued political instability, as well as concerns around the speed and inconsistency of the judicial system, pose a significant threat to Georgia's attractiveness as an arbitration hub. Realizing the full potential of arbitration in Georgia will require ongoing collaboration among legal professionals, the judiciary, business associations, and policymakers—particularly until these issues are meaningfully addressed. ■

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Tech, talent, and teaching:

how TBC Is redefining corporate responsibility in Georgia

Can a financial institution be more than a lender? In Georgia, where trust in big business is often fragile, TBC Bank is attempting to redefine what it means to be a responsible corporate citizen.

LANA KOKAIA

TBC is one of the largest financial institutions in Georgia. Founded in 1992, it is currently a leading bank serving both individuals and legal entities. TBC is also listed on the London Stock Exchange (LSE) and maintains strong international partnerships.

"Business has two roles: one is to operate with quality and integrity, to make a profit and contribute to society through modern products, job creation, and more. The second is a social role. At TBC, we aim to implement projects that contribute to positive change in society," says Head of Marketing and Strategic Projects at TBC Aleksandre Makashvili.

Education

Education has become a central pillar of TBC's corporate social responsibility work, alongside its long-standing support for arts, business, sports, and culture. One standout initiative is the TBC Tech School, a fully funded program that gives high school students (grades 9–12) a chance to gain hands-on tech skills. With more than 1,000 graduates to date and a fifth cohort underway, the program reflects TBC's broader goal to expand access to technological education for youth across Georgia.

"Our research showed that people see education as a top priority — something organizations like ours should support. Of course, education is a broad field, and even an organization of our size cannot cover everything. So, we decided to focus on this area. We prioritized making these courses accessible online so that young people anywhere in Georgia could learn from top lecturers," says Makashvili.

TBC Tech School. Photo TBC

Culture, business, and sports

TBC also actively supports Georgian culture through initiatives like the Saba Literary Award, one of the country's most prestigious literary prizes. Established in 2003, Saba recognizes outstanding writers with both financial rewards and national recognition.

"The Saba Award was established by TBC and has been running continuously ever since. Every year, prizes are awarded in nine categories. The competition has become a valuable platform for both emerging and established writers," adds Makashvili.

TBC also supports the promotion of Georgian art and literature. It has published books on the works of renowned Georgian artists such as Petre Otskheli, Davit Kakabadze, Vera Paghava, and Lado Aleksi-Meskhishvili.

"We organize exhibitions dedicated to Georgian artists — both well-known and lesser-known. We also publish books about their work, preserving our cultural heritage in physical form for future generations," says Strategic Communications Leader at TBC Tamta Kupradze.

In support of entrepreneurship, TBC has organized the Business Award since 2015, creating opportunities for small and medium-sized enterprises and promoting innovative ideas and business

Photo TBC

Kakabadze exhibition organized by TBC. Photo TBC

Babale, one of the winners of the 2023 Business Awards, was recognized for Outstanding Social Responsibility. Photo TBC

#Rugbyisourgame. Photo TBC

visibility.

TBC is also committed to empowering women in technology. For four years, it partnered with USAID to present the Grace Hopper Award, honoring the accomplishments of women in the tech industry. In addition, TBC collaborates with international organizations such as UN Women and UNFPA to further promote gender equality in the sector.

Since 2015, despite some brief interruptions, TBC has been the main sponsor of Georgian rugby.

"Supporting and promoting rugby encourages more young people to get involved in sports. A company of our size should aim to drive positive change," says Makashvili.

Philanthropy

TBC has a well-established tradition of philanthropy. "In 2022, immediately after Russia's invasion of Ukraine, TBC launched a charitable fund that raised nearly 2 million GEL," says Kupradze. "The majority of the funds were donated to United24, the platform established by the Ukrainian government. Of the total, 250,000 GEL was contributed by TBC itself, while the remainder came from individuals and businesses."

In 2023, following the Shovi tragedy, the company created another special fund, contributing 500,000 GEL, with an additional 275,000 GEL donated by citizens—bringing the total to 775,000 GEL.

The company's philanthropic reach extends beyond emergency response. Through its Regions Project, launched last year, TBC aims to identify and meet the specific needs of communities outside the capital. The initiative supports cultural, sports, and business activities tailored to each region.

"Decentralization is very important, but it doesn't get the attention it deserves in this country," Kupradze explains. "Through the Regions Project, our team visits different areas to assess local needs—whether in culture, sports, business, or festivals. For example, sponsoring a horse race in Zugdidi, a wine festival, or a music event in Kakheti. These smaller initiatives, taken together, lead to meaningful change. One example is the new Eliso Film Festival, which we launched last year at the Nato Vachnadze House Museum."

As Georgia continues to navigate social and economic transformation, the role of businesses in advancing inclusive development is growing. At the same time, public expectations for corporate accountability and community involvement are rising—encouraging companies like TBC to expand their contributions beyond core operations. ■

Tbilisi Book Fair celebrates Georgia's passion for print

The written word is far from fading in Georgia's capital—in fact, it's flourishing. At least, that's what the numbers suggest, with more than 50,000 people visiting the 2025 Tbilisi Book Fair over just four days in April. Held at Expo Georgia, the event blended literature, culture, and community in a celebration of Georgia's enduring love for books.

GIGA BERUASHVILI

With two stages of programming, pop-up shops, interactive spaces, and a diverse offering of genres and publishers, the fair was more than a market—it was a statement. This year's fair marked the first major initiative of the newly established Georgian Book Association.

The association was founded by members who split from a previous book industry group. Determined to carry forward their shared values, independent publishers, literary businesses, and bookstores came together to create a new association. "This fair is our first step as a new association, and it serves as a sort of a statement that we're still functional and can self-organize," said Nata Dzvelishvili, the group's current head. "We felt a responsibility to readers to show our commitment to them, since we wouldn't be present at a [similar event] in May—to show them that we were still there for them."

With the support of partners like

TBC, UNFPA, Veli Store, and the Polish Institute in Tbilisi, the new association curated a vibrant event aimed at inclusivity and industry resilience.

For those who couldn't attend in person, Veli Store offered a digital version of the fair, making featured books available online through discounts and exclusive offers.

Books, community, and collaboration

The fair welcomed all literary businesses, giving small and independent publishers the opportunity to stand alongside industry veterans. Among them was Books in Vake, a boutique English-language bookstore that works with around 15 foreign publishers. Their collection spans a wide range of topics - from philosophy and art to fashion, photography, and travel - and is regularly updated every few months.

"We've already struck deals with a few private schools to provide them with our books," says Books in Vake's Mariam Kikacheishvili, speaking of the valuable connections the bookstore made during the event. "We believe the event turned out exceptionally well—it exceeded expectations in terms of visitor turnout."

Beyond book sales, the fair offered curated programming across two stages. The main stage featured author talks, book debuts, and panels, while a second stage—curated by the group Actors for Literature—hosted readings of book reviews penned by recently incarcerated political prisoners. There were also food courts for guests to relax and refresh.

Along with this programming, the festival featured a dedicated media space sponsored by the Polish Institute to spotlight the role of free press in Georgia. Its mission was to show solidarity and support to Georgian media, which continues to guard freedom of expression and stay true to its mission to inform the public in these tumultuous times. "Without the online media and Georgian journalists, we wouldn't even be anywhere close to where we are today," says Association Head Nata Dzvelishvili, who also serves as director of the Georgian media outlet Indigo.

Gen Z turns the page

Despite ongoing debates about whether younger generations still enjoy the written word, the Tbilisi Book Fair told a different story. According to event organizers, 38% of attendees were between the ages of 20 and 29, while another 30% were under 20. UNFPA even set up a daycare-style activity zone so parents could browse while their children played.

"We're constantly being told that younger generations have lost interest in reading, but I'd say on the contrary—many young visitors were genuinely curious and eager to explore the selection," says Books of Vake's Kikacheishvili.

This data mirrors global trends. Gen-Z is helping to drive a revival in print publishing and independent bookstores, transforming literary culture in a digital age. With the World Economic Forum reporting that 68% of Gen-Z readers prefer print over e-books, U.S. book sales soared to 843 million units in 2021 and 789 million in 2022. Driven by their love of the tactile experience as well social media—particularly #BookTok—bookstore visits have become a cultural trend, with 49% of Gen-Z readers making purchases at physical bookstores.

Despite concerns that two competing book events could confuse audiences—with another international book fair traditionally held in May—the April timing did little to dampen enthusiasm. A focused communications push helped attract not only locals but visitors from across the country. "With under a month to prepare, we unleashed a comprehensive social media campaign," said Nini Tabagari, the association's head of communications.

Looking ahead, organizers plan to expand the fair's footprint at Expo Georgia and take the event on the road to other regions of Georgia. In the near term, a smaller "Freedom Library" pop-up will appear at the Tbilisi Open Air music festival—bringing books and the values of free expression into yet another cultural space. ■

Mestia to Ushguli

Everything you need to know about Svaneti's most popular hiking route

ELIZABETH LAVIS

The sky-high hiking trail from Mestia to Ushguli is one of Georgia's most popular and picturesque routes, with locals and visitors alike making the four-day jaunt every hiking season between mid-May and October. While the trek is challenging, it's fairly approachable if you have a good pair of hiking boots, poles, some emergency cash, and an optimistic disposition.

You'll also find plenty of red and white striped trail markers and yellow signs along the trail—though there are a few sections where you need to follow unmarked cow paths, particularly on the third day. Although there aren't as many sheep-herding dogs as in Tusheti, hikers can still cross paths with Caucasian Shepherds on the job in the rural stretches between Svan villages.

Adishi River

Preparing for Your Trek

The total trek is 35.2 miles, spread over four days, or three if you feel extra fit and ambitious. While you don't need to be an elite athlete to successfully complete the four-day trek, a baseline of endurance and fitness will serve you well on those long slogs between villages. Also, this region of Georgia is at a higher altitude, at 1,500 meters in Mestia and 2,200 meters in Ushguli. Take your time and let your body adjust to the thinner air.

You'll also need to stock up on cash or any needed supplies in Mestia. There are several stores that sell rain gear, hiking poles, and outdoor gear, as well as a handful of banks. Make sure to take out cash at an ATM while there, as you won't

Adishi glacier

find one along the route.

You can also pick up hiking maps at the marshrutka station on Mestia's main street. If you're coming from Zugdidi by marshrutka, the van will drop you off there, so you can pick up a map when you arrive. The other option is flying in through Vanilla Sky. Flights run a few times a week and sell out quickly, so make sure you book in advance—particularly during the high season.

Before you hit the road again, Mestia is also a great place to get a good, authentic Svan meal. Cafe Leila and Lile Restaurant are excellent options for *kubdari*, a Svan meat-based variation on *khachapuri*.

Hitting the Trail

Most people start their journey in Mestia, because it's an easy place to get to by marshrutka or flight, and you can stock up on supplies there. You can also do it backwards and start from Ushguli, for a comparably easier downhill hike, although you'll need to get all of your gear and money before arriving in Ushguli, as there are no banks or ATMs there.

Day One

If you decide to start in Mestia, your first day will be spent heading to Chvabiani. You'll start strong with 2,486 feet of elevation gain, and spot Ushba towering over the trail on the way.

Top Tip: Keep your eyes peeled for a cafe about six kilometers in. It's not on Google Maps, but if you stay on the trail, you can't miss it, and the views are spectacular.

Day Two

This day starts with a grueling 850-meter trek up the mountain straight away. At the top of the ridge, you'll find lovely alpine flowers, clusters of berries, and beautiful views of Svaneti.

Top Tip: There are some switchbacks as you cross down into Adishi. The path is fairly well-marked, but your offline or paper map will be handy here.

Day Three

Day three brings challenging climbs, stunning views of the Adishi glacier, and a lovely wander through the Chkhutnieri Pass. You'll also need to cross the glacially fed Adishi River at the outset of the day, which can be both chilly and tricky. If you opt to do the trail backwards, from Ushguli to Mestia, you'll arrive at the Adishi River during the day, when the water level is higher.

Top Tip: Several horses and their handlers are waiting on the riverbanks, ready to take you across the river.

Day Four

Your last day starts in either Khalde or Iprali and continues to Ushguli. This leg has some technical elements, like climbing up a ladder, and trekking upwards for 2,100 meters, but you'll enjoy glorious views of the valley as you make your way down to Ushguli.

Top Tip: Grab a delicious bite at Guesthouse Cafe Nita before returning to Mestia on the marshrutka. ■

WHERE TO STAY

Hikers can go camping along the trail, but if a hot meal and a warm bed are more your speed, there are some excellent places to stay along the trail.

Mestia

Old House Mestia
Address: Lanchvali Street 8A, Mestia 0160
Spectacular views meet Georgian hospitality at this popular Mestia guesthouse.

Guesthouse Edelweiss
Address: Queen Tamari Street 20, Mestia 3200
You'll enjoy speedy Wi-Fi and a lovely garden conveniently located right on the downtown stretch.

Daeli Hotel
Address: Betlemi Street 2, Mestia 3200
Cozy rooms and a wrap-around balcony with excellent views await you.

Chvabiani

Irina Guesthouse
Address: Mulakhi Chvabiani, 3200 Chvabiani
Tired hikers will like the excellent, hearty dinner and breakfast, warm beds, and hot showers.

Adishi

Note that for smaller towns like Adishi, many hotels are clustered on the main road, so their addresses are similar.

Nino & Tarzan Guesthouse
Address: Town Adishi, Adishi 3205
Excellent outdoor area, family vibes, and delicious breakfast to start your day off right are on offer.

Hotel Family Bachi
Address: Town Adishi, Adishi 3205
Lovely balconies with excellent views of the mountains, kettles and hair dryers in the rooms, and friendly staff.

Khalde/Ipari

Guesthouse Khalde
Address: Zugdidi Jvari Mestia Lasdili, 3206
You'll find a nice restaurant area, comfortable shared rooms, and very hospitable staff.

Guesthouse Robinzon Lalkhori
Address: Municipality of Mestia, Kala, Village Lakhori
Guests will enjoy good Wi-Fi and nice views of the mountains, plus excellent coffee and breakfast in the morning.

Ushguli

Guesthouse Nora
Address: Ushguli, 0183 Ushguli
Nice location right in the central part of town with a lovely terrace.

CHOOSING ENGLISH LAW:

What GEORGIAN BUSINESSES Need to Know

The choice of governing law is a critical decision for any commercial-particularly cross-border—transaction. While the laws of England and Wales—or English law, as is used more frequently—provides no formal definition of what a contract is, this has not diminished its enduring popularity for international business contracts. Its reputation for stability, predictability, and commercial practicality has made it the preferred choice for numerous international transactions, even between parties with no connection to the UK.

Yet this popularity can lead to surprises, particularly for parties unfamiliar with English law. Consider a Georgian company that signs a straightforward amendment to an English law-governed contract, extending a performance deadline and waving penalties for delay. The directors of both companies sign the document in good faith—perhaps even with a handshake—only to learn months later that the amendment might not be enforceable. Not because anyone acted in bad faith, but because there was no consideration under English law. While Georgian law would honor this type of mutual agreement, English courts typically demand that something of value be exchanged for a modification to take effect—a concept that does not apply under Georgian legal principles.

These scenarios are not just theoretical—they represent real risks for Georgian businesses venturing into international transactions. And while such clauses may be negotiated over a bottle of wine, they can ultimately alter the parties' legal rights, remedies, and obligations in ways that may not have been anticipated.

This article therefore briefly examines some of the key differences between English law and Georgian law, providing essential insights for Georgian companies choosing English law to govern their contracts.

Understanding the Foundations - Common vs Civil Law

One of the most fundamental differences between English law and Georgian law lies in the source of legal authority. English law is rooted in the common law tradition, in which relevant judicial decisions form a substantial body of binding precedent. Although acts enacted by the UK Parliament hold the highest power, the judiciary plays a central role in shaping and interpreting the law. In contrast, Georgian law follows the civil law tradition, where codified legal norms—such as those governing contracts and their interpretation—serve as the primary legal source. Although Georgian court decisions are increasingly influential, they do not generally carry the

same binding authority (except decisions by the Grand Chamber of the Supreme Court of Georgia) that judicial precedents hold in common law systems. For Georgian businesses entering into contracts governed by English law, this distinction may be disorienting and require a shift in mindset—one that treats case law as equally essential to understanding legal obligations as the written legislation itself.

One Promise, Two Legal Realities

Circling back to the earlier example, another key distinction Georgian companies should be aware of is the concept of consideration. Under English law, for a contract to be enforceable, each party must provide consideration—that is, something of value exchanged as part of the agreement. The consideration does not need to be equal in value to the goods or services provided, but it must be legally sufficient. Without this exchange, even a clearly worded and signed promise may not be legally binding. By contrast, Georgian contract law imposes no such requirement. What matters instead is mutual consent, formed through an offer and acceptance. Once the essential terms are agreed, the contract is valid, regardless of whether anything new is exchanged. This distinction can lead to practical misunderstandings. For example, a Georgian company might reasonably assume that a mutually signed amendment to extend a payment deadline is enforceable. Yet under English law, such a modification may fail for lack of consideration.

Statute of Limitations

Statutes of limitations play a critical role in commercial law, offering predictability in business relationships while imposing clear deadlines for initiating legal claims. Under English law, the standard limitation period for contractual claims is six years from the date of breach. However, if a contract is executed as a deed, the requirement for consideration is waived, and the limitation period extends to twelve years. In contrast, Georgian law imposes a three-year limitation period for contractual claims, with no comparable mechanism for extension through formal execution. For Georgian businesses, failing to account for these differences can result in unforeseen legal risks.

Good Faith or not Good Faith, That is the Question

One of the significant contrasts between English and Georgian contract law is the role of good faith. Under English law, there is no overarching statutory duty of good faith in commercial contracts. By contrast, the Civil Code of Georgia imposes a general obligation of good faith in parties' dealings. This divergence can easily be overlooked by Georgian businesses operating under English law, potentially leading to misunderstanding and unforeseen disputes if not carefully managed.

Where the Two Poles Meet

Despite many differences, the two systems also share a common goal: achieving fairness. Both legal traditions seek to balance strict legal rights with equitable considerations. In this regard, while English law relies on equity as a distinct body of principles developed to temper the rigidity of common law, Georgian law incorporates comparable fairness-based concepts directly into its codified framework. Doctrines such as abuse of rights and unjust enrichment serve a corrective function in Georgian law, much like equity does in English law. Although Georgian courts do not apply equity as a separate branch of law, they achieve similar results through statutory mechanisms designed to promote fairness and prevent unjust outcomes.

In conclusion, choosing English law as the governing framework for a contract should be a conscious and informed decision rather than a boilerplate clause. With the right preparation and legal guidance, Georgian businesses can confidently navigate English law contracts—maximizing their advantages while avoiding costly legal pitfalls. At BLC Law Office, our deep expertise in both Georgian and English legal systems enables us to support clients in evaluating the implications of English law, crafting tailored contractual provisions, and minimizing legal risks in cross-border transactions.

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Tbilisi Open Air Festival spotlights local talent with all-Georgian lineup

Since its inception in 2009, Tbilisi Open Air festival has gathered tens of thousands under a shared love for music and expression. The 2025 edition, held a month earlier than usual, aligns with the eve of Georgia's Independence Day on May 26 —a meaningful choice that celebrates national pride and cultural resilience.

GIGA BERUASHVILI

Tbilisi Open Air broke from tradition this year, returning to Lisi Wonderland with an all-Georgian lineup—blending generational voices and unexpected musical collaborations. Iconic performers like Nani Bregvadze, Paata Burchuladze, Giuli Chokheli, Merab Sepashvili, and Giorgi Ushikishvili shared the stage with rising newcomers and established contemporary acts, creating unique, genre-defying sets. These cross-generational performances aimed to bridge past and present, uniting styles and sensibilities in the name of shared cultural memory.

"Tbilisi Open Air has always been a festival for the public, so it defies strict frames—it's a platform for a diverse set of voices, on which everyone can find their musical voice," says Public Relations Manager for Altervision—the festival's organizer—Sopho Ebralidze. "This year's festival is a gesture of solidarity—toward Georgian musicians and artists, toward independent media, and toward people who refuse to accept injustice," Ebralidze adds.

From dance to dialogue

For the first time, a full theatrical and dance performance was integrated into the festival's main program: the Sukhishvili Georgian National Ballet performed, and director David Khorbaladze presented the production LOUDER—marking both of their Tbilisi Open Air debuts.

Beyond the main stage, Lisi Wonderland buzzed with energy across its two night stages: the UNITY STAGE and the ALTER STAGE. The UNITY STAGE featured collaborative DJ sets like SEVDA B2B GIO SHENGELIA and ELENE B2B ALEXANDRA, while the ALTER STAGE offered late-night beats with performances from NIKKI SLOW vs. GROTASK, N ICE, KMC, CAS, BXNNY, and others.

Tbilisi Open Air has long been more than just a music festival—it's a cultural ecosystem. "Our festival has never had an exclusively musical format, and this year, this cultural variety was present in a more diverse form," Ebralidze shares.

A festival of ideas and values

The festival featured the Natural Wine Festival, offering chilled pét-nat and showcasing natural wines, alongside the Tbilisi Book Fair's Freedom Library, which invited visitors to browse a curated collection of books celebrating freedom, Georgia's independence struggle, and its rich history.

A new addition this year was Open Frequencies, a hub for music labels, podcasts, and platforms that provided a space for discovery and connection with emerging and established voices. Meanwhile, Mechanical Waves hosted its Tbilisi Open Air debut workshop Searching for the Poetic Me—in collaboration with the Danish Culture Institute— of-

Photo Lasha Kvaratskhelia

fering participants a space to explore identity and artistry within the festival's broader themes of self-expression and cultural dialogue.

The Freedom Village returned as a vital space for dialogue, hosting lectures and discussions on a wide range of topics aligned with contemporary challenges and values. "It's very important for a festival such as this to create space to exchange ideas and values," said Nino Apakidze of iFact, an investigative media outlet. iFact's space allowed visitors to engage with their team, suggest investigative topics, and learn more about their work.

Over two days, thousands of visitors filled Lisi Wonderland, with the festival ultimately receiving positive feedback despite initial doubts over this year's local focus. In a meaningful gesture, a portion of ticket sales will be donated to the Contemporary Art and Culture Foundation and the Georgian Musicians' Union, with visitors also able to make additional contributions in support of these organizations. ■

Singer Giuli Chokheli performs at Open Air

From fast growth to future-proofing

What's next for Georgia's IT sector?

In recent years, Georgia's IT services sector has grown from a small, promising industry into a major driver of the country's economy. Backed by low taxes and a skilled workforce, the sector expanded rapidly between 2017 and 2023. But new data from the National Bank of Georgia shows that in 2024, IT service exports dropped by 12% compared to the previous year.

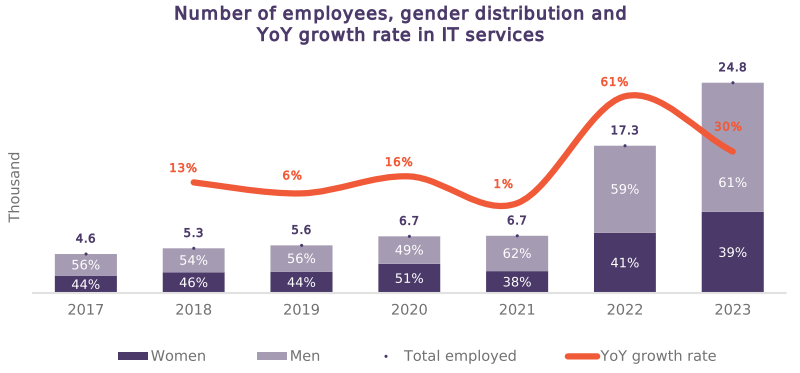
LANA KOKAIA

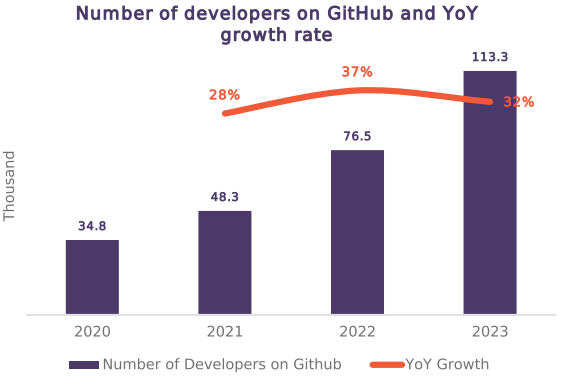
A new report from the Policy and Management Consulting Group (PMCG) released in April 2025 shows strong growth in Georgia's IT services sector, along with similar trends in the wider tech industry. The report says the tech sector grew quickly, with its real GDP jumping by nearly 70% in 2022. By 2023, it contributed GEL 4.2 billion—or 5.2% of Georgia's total economy—mostly thanks to the fast-growing IT services sub-sector.

Impact of global events

The Covid-19 pandemic gave a boost to the global IT industry and led many companies to switch to remote work. This, in part, made Georgia more attractive to international firms thanks to its skilled workers, low labor costs, and favorable tax system. As a result, several large foreign IT companies set up operations in the country.

Between 2017 and 2023, the number of people employed in IT services increased more than fivefold. The war in





Source: PMCG

Ukraine further accelerated this trend, bringing a wave of IT specialists from Russia, Ukraine, and Belarus to Georgia and contributing to rapid growth in the sector. The most dramatic surge came in 2022 and 2023, when employment rose by 61% and 30% respectively, reaching a total of 24,760 workers.

IT services performance

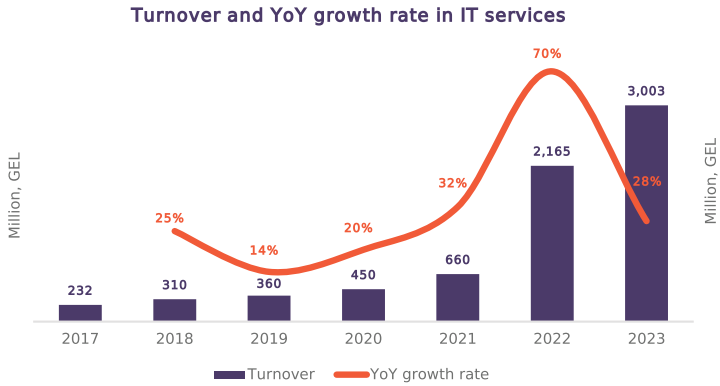
From 2017 to 2023, Georgia's IT services sector grew rapidly in both earnings and economic impact. Turnover jumped from GEL 232 million to GEL 3 billion—a 13-fold increase—with the biggest growth happening in 2021 and 2022. The value the sector added to the economy also rose sharply, from GEL 153 million to GEL 2.4 billion, increasing 15 times. In 2022 alone, value-added grew by 74%, showing that the sector was not just making more money, but also creating real economic value. Growth continued in 2023, though at a slower pace, with turnover up 28% and value-added up 32%.

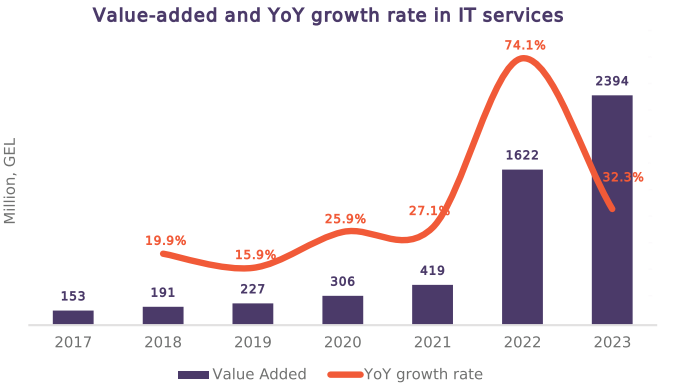
Trade in IT services

From 2017 to 2023, Georgia's IT services sector consistently exported more than it imported, maintaining a positive trade balance. Exports saw the biggest growth in 2022, rising 235% to $512 million—six times higher than imports. The IT sector's share of total service exports grew from 1.5% in 2017 to 11% in 2023, thanks to supportive regulations and more international IT companies setting up in the country.

In 2024, the revenue of the Georgian IT sector decreased to $688 million. According to statistics published by the National Bank of Georgia, the IT sector's foreign revenue amounted to $688 million, which is 12%, or $96 million less than the previous year.

Industry insiders note that the recent decline was anticipated. The rapid





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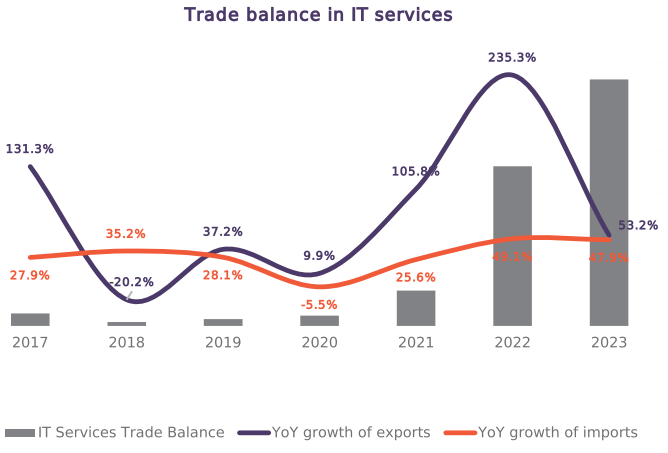

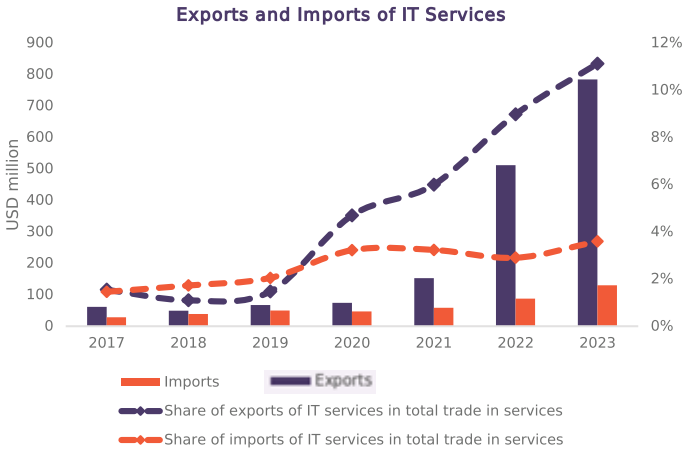

Source: PMCG

growth in Georgia's IT sector over the past few years was largely driven by a migration wave, as hundreds of Russian, Ukrainian, and Belarusian IT professionals temporarily relocated to the country. Their work was classified as IT services delivered from Georgia, significantly boosting the sector's numbers. However, since 2024, many of these specialists have departed, leading to a natural cooling of that short-term growth surge.

"The main increase happened in 2022, when the war in Ukraine began, with a peak in 2023," says Chairman of the Georgian ICT Association Tornike Sulaberidze. "Many migrants saw Georgia as a transit point on their way to other countries. At the same time, the country wasn't fully prepared to absorb such a large influx of IT specialists. In the first two years, there were quite a few rejections of residence permit applications, which led many to continue on to other destinations."

Established in 2020, the Georgian ICT Association works to promote the country's IT sector through collaboration and advocacy. It currently represents around 20 international companies—including several AmCham members—that employ approximately 12,000 people across Georgia.

Industry experts predict a further decline in exports in 2025 but note that despite a decrease in trade, the volume of the sector is still exhibiting healthy growth. "The volume of the sector increased in 2024...by 10%," notes Sulaberidze. According to him, "the sector itself has been growing quite a bit over the years, and it is expected to continue to grow in the future"—including in 2025.

Prospects and challenges

Georgia's IT services sub-sector has seen notable growth, thanks in large part to policies and incentives designed to attract foreign investment and boost exports. A key measure is the International Company Status, introduced in 2020, which offers significantly reduced tax rates—5% on profit (down from 15%) and 5% on personal income (down from 20%)—to companies that export their services. However, the incentive is not available to domestic firms, which industry representatives say puts local companies at a disadvantage and increases the cost of serving the domestic market.

"For example, a banking service player wants to develop its own technologies, and it costs much more to hire a Georgian company than to hire it from another country. All this limits the market and the development of local technology companies. The sector should be taxed and have a 5% discount, it should not matter whether it is a Georgian company or an international one... and another problem is that if a company is granted the status of an international company, its employees are not allowed to work remotely outside of Georgia," says Sulaberidze.

Sector representatives stress the urgent need for Georgia to introduce a dedicated IT residence permit. Such a measure would enable foreign IT professionals to stay and work in the country long-term, while also enhancing Georgia's ability to attract skilled talent in the future. To further strengthen the sector's competitiveness and resilience, PMCG recommends several key steps: improving access to finance, elevating the industry's public image, updating remote work regulations, formalizing IT residency, promoting knowledge exchange, outsourcing public IT projects to local firms, and adopting a comprehensive national IT strategy. ■

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Lineate

A Strategic Partner in Making AI Practical for Businesses:

In a rapidly evolving world of artificial intelligence, businesses face a common challenge: transforming AI's potential into practical, ROI-generating applications. While companies across industries are eager to embrace AI, they often struggle to move beyond experimentation and reach meaningful implementation. Lineate has positioned itself as an essential partner, bridging AI's potential with the realities and requirements of business.

A Practical Approach to AI Adoption:

Lineate's approach to AI is firmly rooted in one key idea: practicality. Our team collaborates closely with clients to design and deploy AI solutions tailored to specific business goals—whether that involves automating time-consuming tasks, enhancing accuracy, or unlocking new possibilities for personalization. This practical approach instills confidence in our partners in the effectiveness of our solutions.

The pragmatic focus has allowed Lineate to make a strong impact in advertising, medical, and finance technology. We've assisted organizations in using AI to automate campaign operations, streamline workflows, and translate data into actionable insights.

A Partnership Model for AI Implementation:

What makes Lineate stand out is its commitment to partnership. We don't just deliver software; we engage deeply with our clients to understand their needs and challenges. This partnership model ensures that clients do not navigate the complexities of AI implementation alone; instead, they are supported every step of the way, from the initial consultation to the post-delivery support.

Deep Domain Expertise

Lineate combines AI expertise with a deep understanding of the industry, particularly in advertising, medical, and financial technology. Our technical skills, success rate, domain-specific knowledge, and hands-on, collaborative work model ensure that the AI solutions we provide are technically sound and strategically aligned with the client's requirements.

Enabling AI with Amazon Q

Lineate is a key implementation partner for Amazon Q Business, a generative AI-powered assistant explicitly tailored for workplace productivity. It enables employees to ask natural language questions, such as "Summarize last quarter's financial performance"—and receive accurate, context-aware responses based on company documents, wikis, ticketing systems, and more.

aws

Amazon Q

REAL - WORLD SUCCESS STORIES:

Healthcare:

The Partners Challenge: Nurses and administrative staff often struggle to find up-to-date protocols, insurance policies, and patient management procedures, which are stored across various internal sites and in outdated PDFs.

The Lineate Solution: With Amazon Q Business, staff can ask questions like, “What’s the protocol for handling diabetic emergencies?” or “Which insurance plans cover outpatient physical therapy?” The AI searches all connected systems, provides a summarized answer, and cites the source document. The time spent searching is reduced from minutes to seconds, improving patient care and operational efficiency.

MarTech:

The Partner's Challenge: Teams using tools like Confluence, Google Drive, and Slack often encounter delays or confusion when onboarding new employees or retrieving critical project data.

The Lineate Solution: By integrating Amazon Q Business, the company allows employees to access campaign data instantly, summarize meeting notes, and understand client history—all through simple natural language queries. A new employee can ask, “What are the key deliverables for the customer’s upcoming launch?” and receive a summarized, up-to-date answer from various sources—no manual digging required.

AdTech:

The Partners Challenge: A company provides digital advertisers real-time bidding and analytics tools. Its team manages vast amounts of campaign performance data, client onboarding materials, and ever-changing ad compliance guidelines. With staff distributed across sales, product, engineering, and client success, crucial information is often lost in Jira tickets, scattered Notion pages, and overflowing internal emails.

The Lineate Solution: Amazon Q Business centralizes access to internal knowledge across the company. Sales teams can ask, “What was our average click-through rate for mobile ads in the retail sector over the past quarter?” and receive a precise, data-backed answer pulled from the analytics dashboards and data warehouses (with permissions in place). Meanwhile, customer success managers assisting a new client can ask, “What steps are required to integrate our SDK with a React Native app?” and receive an instant, step-by-step guide sourced from internal dev documentation and onboarding playbooks.

Conclusion: Lineate, Bridging the AI Implementation Gap:

Ultimately, Lineate's role as an AI implementation partner centers on bridging the gap between AI's theoretical potential and practical business value. Through industry-specific expertise, an outcomes-focused approach, and an emphasis on accessible solutions, Lineate enables businesses to move beyond AI experimentation toward systematic, value-generating AI implementation.

Our teams guide companies through the complex journey of AI adoption, focusing on tangible results and sustainable business transformation. Lineate offers more than just tools for businesses ready to transition beyond AI experimentation toward operational impact—**it provides a clear path forward.**

About Lineate:

Lineate is a US-based, high-end technology company with over 18 years of experience and offices on two continents. Specializing in resolving complex software issues, Lineate’s expertise lies in data engineering and developing systems at scale. Lineate has successfully completed more than 1,000 projects. The company primarily serves clients in the United States and Western Europe, offering custom software development services across various sectors, including AdTech, MedTech, and FinTech.

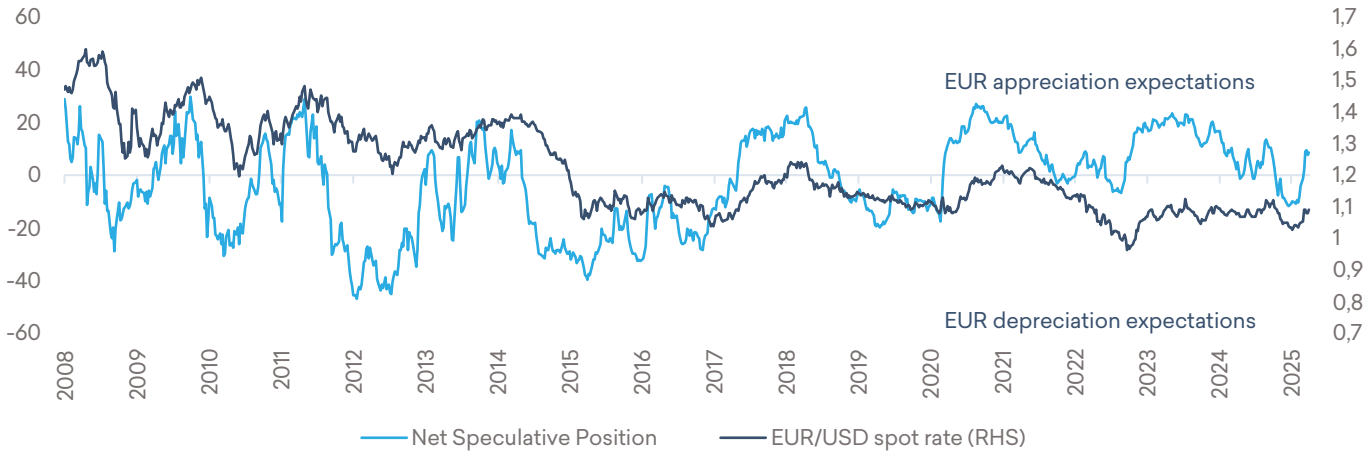
TBC business strategy – optimal currency funding structure for the Georgian corporate sector

Otar Nadaraia, TBC Group Chief Economist

We thank the business representatives who actively use the TBC Capital optimal foreign currency funding structure when taking on debt. Of particular importance are the working meetings that integrate macro- and microeconomic views, particularly from the business perspective. As always, past trends do not guarantee future outcomes. However, the potential gains are significant - estimated at around GEL 8 billion since 2013. For comparison, Georgia's current corporate loan stock is around GEL 22 billion. Therefore, we revisit our approach first published in 2019, noting its continued relevance to SMEs, individuals, and investors - though tailored communication is necessary for each group.

We begin by demonstrating the framework's functionality in volatile conditions. For instance, recent shifts in U.S. tariff policy under President Trump illustrate how quickly market expectations can change. While just recently tariffs were seen as USD-supportive, market sentiment has since performed a U-turn. Changing sentiments can easily be inferred from the declining trajectory of the expected Fed rate, as well as from net speculative positions, which indicate expectations of EUR strengthening (Figure 1).

FIGURE 1: THE RECENT SURGE IN EUR/USD net speculative positions INDICATES MARKET expectations HAVE SWITCHED in favor of THE EUR (As of 8-Apr-2025)



Source: CFTC, FRED, TBC Capital

In such uncertainty, our framework emphasizes medium-to-long-term indicators over short-term news. A prime example occurred when the EUR/USD dipped below parity in the autumn of 2022. Though further EUR depreciation seemed possible, our framework—based on long-term equilibrium estimates—recommended minimizing EUR-denominated borrowing. However, EUR loans increased in Georgia instead (Figure 2). This misalignment highlights the kind of situations that have produced large unrealized gains. Having said that, recently, the dynamics of foreign currency borrowing are more aligned with our framework, which is a welcome development

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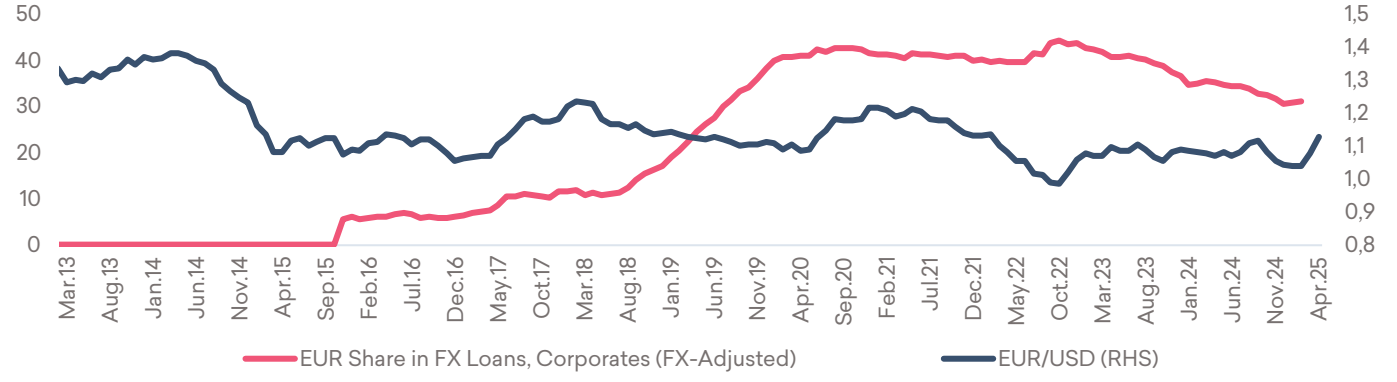
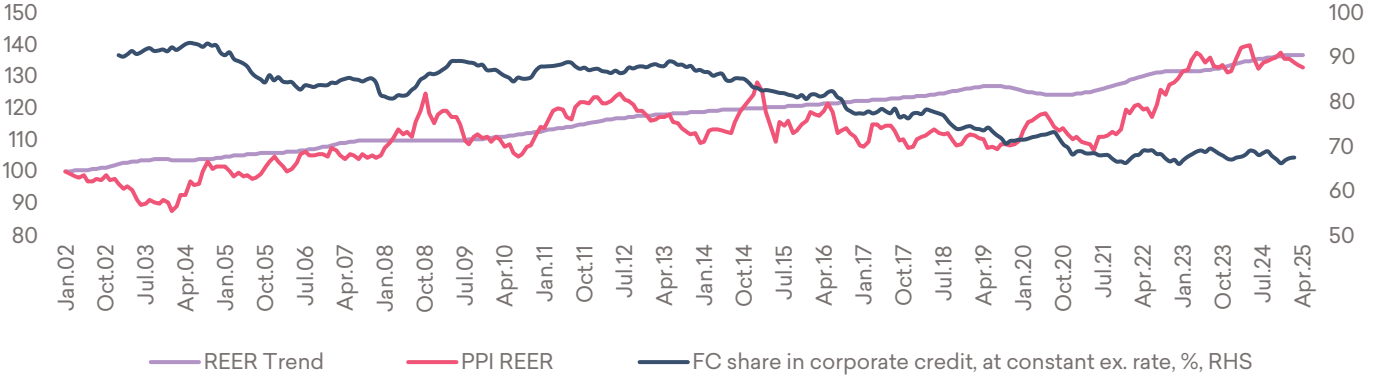
FIGURE 2: THE EUR SHARE IN CORPORATE FOREIGN CURRENCY LOANS HAS BEEN DECLINING RECENTLY, WHICH IS A WELCOME DEVELOPMENT FROM THE PERSPECTIVE OF OUR FRAMEWORK



As the EUR strengthens, borrowing in EUR becomes more favorable—albeit within limits and based on validated medium-to-long-term undervaluation indicators; this topic is extensively explored in our other publications. Similar principles apply to GEL, as displayed in Figure 3. At the same time, per our framework, it is important to keep in mind that estimates are not always based on medium- and long-run indicators. The more developed and deep the markets are, the more we can be oriented towards underlying variables. In contrast to the EUR/USD, where underlying variables are more accessible, GEL and other currencies like UZS benefit more from in-house analytics.

FIGURE 3: EVEN CONSIDERING THE LARIZATION TREND, THE UTILIZATION OF MEDIUM-TO-LONG-TERM INDICATORS WITH RESPECT TO THE GEL SHARE IN CORPORATE LOANS APPEARS LIMITED

(Real effective exchange rate (REER) and its estimated long-run trend, as of 15-Apr-25, increase means GEL appreciation)



Note: The REER Trend is estimated based on GDP per capita growth differential between Georgia and its main trading partners using relative trade weights and adjusted for the share of non-tradable sector
Source: NBG, IMF, WB, TBC Capital

When calculating the GEL 8 billion gain within our framework, we assume only reasonable adjustments to the GEL/EUR/USD weights. If a company is hedged with, for example, a 30% foreign currency loan, the framework does not recommend a full switch to foreign currency loans, even if GEL is highly undervalued compared to its equilibrium estimate. Rather, a moderate increase in FX exposure would be more aligned with our framework.

Moreover, we base our gain estimates on current larization trends and real-time data to ensure they reflect practical, real-world conditions. In case of more aggressive finetuning of the currency structure, the potential for additional gains would increase. This area of the framework is particularly useful in cases when businesses try to profit from exchange rate forecasts; thus, it is highly dependent on individual businesses' strategies and risk appetites.

A crucial first step in implementing a foreign currency funding strategy is identifying the currency in which a business is naturally hedged (i.e. insured against currency risk). For example, if a company's USD-denominated EBITDA remains stable regardless of fluctuations in GEL, then the company is hedged if the loan is also denominated in USD. While this may sound simple, in practice it is hardly so. Real estate prices, for instance, are neither fully in USD nor GEL.

And how can we utilize EUR, considering that GEL is more stable against EUR and economic growth is higher in Georgia when EUR appreciates against USD? Notably, this is not always the case. In the case of a Russia-Ukraine conflict resolution scenario, both migrant outflows and EUR appreciation would be highly likely, but this would not necessarily result in GEL appreciation or higher activity in the real estate sector. Each industry reacts differently. For instance, exchange rate changes affect second-hand car imports more significantly than new car sales, suggesting the need for sector-specific analysis. Furthermore, if imported product prices rise by only 30% of the GEL's depreciation, then holding 30% of debt in foreign currency does not necessarily constitute risk. Here we also note that the optimal share of foreign currency will increase further if we utilize two or more currencies due to lower risk brought by diversification.

Other considerations include industry cyclicality, pricing sensitivity, interest rate differentials, currency conversion costs, and the broader macroeconomic environment's impact on a company's leverage and efficiency. These foundational steps must be completed before exchange rate forecasts and valuation misalignments can inform tactical decisions.

Finally, we would like to once again underline the importance of considering macroeconomic factors in business strategies—particularly when optimizing the currency composition of funding structures.

The Middle Corridor: rising trade, strategic uncertainty, and the long road ahead

Business on the Middle Corridor, the 3,000 kilometer, multi-modal route that traverses from Europe across the Black Sea, the southern Caucasus and then across Central Asia to China and beyond, is accumulating, the through traffic bringing increased revenues to Georgia. Local news shows that it is already driving Georgian trade and investment. Although the information picture is fragmented, traffic numbers are rising, but so are concerns about regional geopolitical changes and the practicalities of upgrading the capacity of port, road and rail facilities, including in Georgia.

SALLY WHITE

Many challenges remain. Key infrastructure shortcomings and rivalry for shares of the vast volume of trans-continental business are inspiring plans for competing routes and triggering warnings that the Middle Corridor is in danger of failing to realize its potential.

World Bank forecasts have estimated the Middle Corridor could account for 20% of overland trade between China and the EU with a tripling of current traffic levels by 2030, primarily due to economic growth in the Greater Caspian Region.

Recent geopolitical shifts are fanning fears, for the route as a whole and for Georgia's position as a key transit hub. Uncertainty about the Trump's administration's stance on Russia's ambitions for the Middle Corridor countries is creating concern that, in the event of a Russian victory in Ukraine, trade along the Northern Corridor through Russia "could be further solidified," says the Central Asia-Caucasus Institute. To the south, Azer-

baijani control over the Zangezur Corridor through Southern Armenia, part of the post-Nagorno Karabakh ceasefire discussions, would connect Azerbaijan to Turkey, providing an alternative route that could challenge Georgia's transit role, comments the Georgian Foundation for Strategic and International Studies.

Investing in Georgia's logistics

Moving from the macro to the micro, Georgian businesses and entrepreneurs are positioning themselves to exploit potential Middle Corridor trade. In Tbilisi, an inland intermodal terminal for the handling and storage of containers has opened, built by the Tbilisi Dry Ports group (TDP), where the Arab Abu Dhabi Ports Group (AD Ports Group) has a 60% stake. Testing of a $23 million first stage has just been completed. Now, "we are moving directly to the construction of the second phase ... (this) envisages the construction of class A warehouses with a total area of approximately 50,000 square meters ... I can say in advance that the total investment will be approximately $50-55 million, but this may increase," chairman of the group Jemal Inaishvili told *BMG* news agency.

He added: "We also want to own container platforms. Today we are dependent on the railway, there is a deficit in some cases, and therefore, together with our partners, we are thinking of creating our own wagon park for container transportation, which requires additional investments."

In addition to the dry port project, Inaishvili says AD Ports Group is considering other investments in the transport and logistics sector of Georgia. It is already operating actively in the countries in Central Asia and "has a long-term vision for the Middle Corridor ... It has specific plans and is already making investments in Uzbekistan and Kazakhstan."

Georgian logistics company, the Bene Group, has announced that it too sees "the increasing relevance of the Middle Corridor," with "demand from international companies growing in Georgia." Working with the Bank of Georgia, it has recently announced plans for 100,000 square meters of warehousing in Gardabani and logistics centers in Poti and maybe also Natakhtari.

Challenges and prospects

As yet, anyway, the Middle Corridor has not managed to develop as a serious challenge to the Northern Route through Russia, despite Western sanctions, according to the Eurasian Rail Alliance and the Central Asia-Caucasus Institute. Much needed investments are being made to expand its capacity and to renovate the often antiquated infrastructure ▸▸

along the route—the efficiency, capacity, and conditions of the ports being a major problem. But analysts predict that even with current progress, it will remain a complementary route.

However, the route is filling up: the official body for the Transcaucasian International Transport Route (the Middle Corridor's official name) gave a figure for 2024 of 57,000 containers, up from 20,500 in 2023.

Cargo numbers released by the rail operators for 2024 show good increases in traffic, although the bases of statistics available are variable. There was a rail traffic volume increase of 5.7% for Azerbaijan and 63% for Kazakhstan. Georgia Rail was able to announce a small rise in revenue for the first nine months of 2024 from the previous year's GEL 481,00 to GEL490,000 (+2%).

The forecasts available are encouraging: Azerbaijan Railways anticipates transporting 50 block trains per month from China through the Baku-Tbilisi-Kars (BTK) railway in 2025. This marks a substantial increase from 190 trains in 2024, with expectations to exceed 250 by year-end. More business should come from new members of the TITR association which, as announced a few weeks ago, range from Poland's UZ Cargo to Xian Free Trade Port.

Sea port problems

Anaklia Deep Sea Port remains Georgia's most important potential play in the Middle Corridor project, but its future remains as contentious as ever. Currently under construction, the first phase is officially expected to be completed by 2029, although circulating rumors suggest this may be pushed back. There are others that say, in reference to Russia-inspired protectionism of the Northern Corridor route, that it will never be finished. As announced, the first phase aims to handle 600,000 containers annually and involves an initial investment of $600 million.

So, the major sea junction in the Middle Corridor for Georgia for the foreseeable future remains Poti Port, which is positioning itself and investing to handle increasing traffic. In 2024, the amount of cargo transported by rail and ferry soared to 157,895 tons compared to

96,434 the previous year.

"In Q1 the cargo handling rate … increased by 15.8%," it announced in April, with numbers rising from 2024's figure of 126,512 containers to 146,468 and from 74 to 81 ships. On goods handled, cars are— unsurprisingly, given the profile of Georgia's international trade—the most popular.

Poti Port owners APM Terminals, have "an ongoing program of capacity development and operational improvements." Last year, they reiterated a proposed figure of $200 million for a port expansion project "to provide new facilities and superstructure to support the growth of international trade." The ongoing modernization of Poti ranges from updating operating systems to the development of recently purchased 5.4 hectares of land to add storage capacity.

Interest and investments

The modernization of Poti is also being undertaken by the main beneficiary of a successful Middle Corridor – Kazakhstan, which is opening its first external sea terminal in Poti, announcing it as a move to strengthen its role as a transit hub for Central Asia. The $30 million project has been in development for two years and aims to handle 120,000 containers annually, reducing the much criticized congestion at the port. The nine-hectare terminal expects to handle 80,000 TEUs (20ft containers) and has over 20 berthing cranes and 17 kilometers of railway tracks. Additionally, Kazakhstan plans to build a second multimodal terminal in Azerbaijan.

Similar challenges for economic growth face other stops along the Middle Corridor line en route to Georgia and beyond, so these countries are investing, with backing from the international development banks, in logistics infrastructure.

Down the line from Georgia, new rail projects are in varying stages of development, all of which will add to through traffic and transit fees. As a report from the Central Asian Program points out, they are responding to geopolitical change and the wish to escape Russia's dominance of their economies. Key is improving interconnectivity on road, rail, and energy. Among logistic projects, a number of rail joint ventures are proposed: China-Kyrgyzstan, Uzbekistan-Afghanistan-Pakistan, and Kazakhstan-Turkmenistan-Afghanistan.

A new emerging Corridor player is India, which, according to *The Times of India*, is looking with interest at this growing logistic network—seeing routes for regional trade, orders for Indian companies in infrastructure development, ports, and logistics services and sources of raw materials. And participation would accord with India's vision of being a net security provider and economic partner in the extended neighborhood.

The international potential for the Middle Corridor was well illustrated last February when international logistics group Maersk announced a "significant advancement in cross-border fail multimodal logistics" in the form of a first-ever trial ship from Japan through the Middle Corridor to Europe.

Growing interest in the Middle Corridor has also increased international scrutiny and recognition of the amount of work needed. The Swiss Institute for Global Affairs early this year outlined, in its sober view of the prospects, two of the major obstacles seen in challenging the supremacy of the Northern route through Russia: "…currently insufficient shipping capacities on the Caspian Sea and difficulties to remedy this; and questions surrounding the construction of a new deep sea port in Anaklia on the Georgian Black Sea coast that raise doubts whether or when Georgian Black Sea ports will be able to handle hoped for significantly increased cargo volumes."

However, billions of dollars are being thrown at the Middle Corridor to enhance trade connectivity across Eurasia and between the EU and China – such as modernizing port facilities, bringing in automated systems to improve traffic flows, buying more rail rolling stock, and commissioning new ships – by regional governments, companies, and the international development banks. The World Bank said last year that $7 billion was needed to enhance the corridor's efficiency.

The Kazakh government alone has invested over $35 billion in infrastructure projects, including developments along the Middle Corridor. Overall, Georgian Railway has invested over $1 billion in modernization and infrastructure projects. Turkey has approved spending of $660 million on rail modernization. Azerbaijani investments include $100 million for upgrading the Baku-Tbilisi-Kars railway line. The World Bank and the Asian International Investment Bank have a joint $650 million financing package to improve sections of the corridor. Through its Global Gateway initiative, the EU and the European Bank for Reconstruction and Development (EBRD) have pledged over €10.5 billion in loans and grants to improve transport connectivity in Central Asia.

More corridors are being developed that will feed traffic into the Middle Corridor – southern ones through Iran, the Trans-Afghan Corridor, and the China-Kyrgyzstan-Uzbekistan railway. But even now, a report from the Asian Rail Alliance states, with a 2024 volume rise of over 60%, despite the obstacles, the Middle Corridor managed to carry 7.8% of transit container flow between China and Europe. In its view, there has been "impressive growth over the last two years." ■

Sit and sip

Tbilisi patio and alfresco eateries to enjoy this summer

Elizabeth Lavis

Summer has arrived in Georgia's capital city, and with warmer weather comes the chance to explore some of Tbilisi's top patio and alfresco eateries, where you can savor delicious Georgian wines, eat fantastic food, and people-watch to your heart's content. These eight spots serve inspired fare, have a welcoming vibe, and are just a few minutes' walk from Tbilisi's major metro stations.

Black Cup

Address: 2/3 Mikheil Zandukeli Street, Shota Rustaveli Ave

Next to the bustling Rustaveli McDonald's, you'll find a semi-hidden Italian courtyard full of cute shops, a great falafel restaurant, and Black Cup coffee, a cozy shop with friendly cats and strong pour-over coffee with a small outdoor sitting area perfect for soaking in the sun and the vibes of the courtyard. They also offer indoor seating.

Discovering Black Cup is like stumbling onto a delightful secret; it's just hidden enough to be exclusive but a minute or so away from one of the city's busiest metros, so once you find it, you'll be able to get there easily. Try their caramel and nut cookies, pour-over coffee, or Lavender Raf, which comes with a nice caffeine kick and a floral finish.

Ninia's Garden

Address: 97 Dimitri Uznadze Street

Ninia's Garden is a beautifully appointed restaurant inside and out, but the backyard garden is truly something to write home about. Dominated by a handsome bronze statue and fountain, this charming retreat is also a haven for the restaurant's resident feline friends, who scamper back and forth and walk along the high edges. It's also an ample space, perfect for getting a group of friends together to celebrate the arrival of summertime.

The food at Ninia's Garden is next level, with creative takes on traditional Georgian fare. Try the *ajapsandali*, a deconstructed version with delicately breaded eggplant. It pairs wonderfully with an iced latte or one of Ninia's Garden's signature Pet Nat wines. This restaurant is also very conveniently located, just eight minutes' walk from the Marjanishvili Metro, making it ideal for those impromptu summertime dinners out.

Lolita

Address: 7 Tamar Chovelidze Street

Located in Tbilisi's trendy Vera district, Lolita offers two excellent outdoor areas in the front and back of the restaurant. Walk through the heavy metal gates and turn right, and you'll find long wooden tables perfect for group alfresco dining, or head past the bar and kitchen and enjoy a bite amongst the greenery in a more intimate setting.

You'll find a pleasant mixture of non-alcoholic and alcoholic drinks on the menu, including excellent iced coffees, draft beers, and seasonal cocktails. They also serve one of the best baked mac and cheeses in town.

Ezo

Address: 16 Geronti Kikodze Street

If you're craving some of the best *khachapuri* in Tbilisi and want to enjoy it in a beautiful, friendly courtyard, Ezo is the spot. It's an eleven-minute walk from the Liberty Square Metro and famous for its hospitality, solid cocktail and wine list, and good takes on traditional Georgian dishes. Top dishes include the *khachapuri, mtsvadi,* and *lobiani*, but it's difficult to go wrong with anything on the menu. During the bright days of early summer, Ezo's courtyard is bustling with people itching to enjoy some fellowship in the sun, so you're bound to make some friends.

Radisson Red

Address: 44 Davit Aghmashenebeli Avenue

From the outside, the Radisson Red may seem like your standard, big-city hotel, but if you walk through the lobby past the elevators, you'll quickly discover that it opens to a spacious, elegant back courtyard flanked by intricate old-Tbilisi architecture on either side. This courtyard welcomes hotel guests and passers-by, and is ideal for that late-night sit and sip – open until the wee hours.

A smart play is ordering small dishes from Posta, the on-site restaurant, and enjoying a classic or original cocktail in the courtyard. Posta also offers delicious, strong coffee and breakfast service, making this spot an ideal weekend brunch treat.

DADI Wine Bar and Shop

Address: 4 Shalva Dadiani Street

DADI Wine Bar and Shop is a five-minute walk from the Liberty Square Metro, and during the summer and spring you'll often find people congregated on its patch of sidewalk, people watching and enjoying the weather while sipping on DADI's premium wines. The Georgian Wine Experience, with three glasses of wine and food pairing, is an excellent and economical choice at 30 GEL per person, but you can also order a la carte glasses or get recommendations from your knowledgeable server. The food at DADI Wine Bar and Shop is good too: ice cream with blueberry jam and an assortment of bruschettas that will go well with your libations and people-watching.

Swissotel

Address: 3 Soliko Virsaladze Street

Swissotel is a beautifully appointed hotel with stunning views of the Kura River and the Dry Bridge Market. Conveniently located between the Rustaveli and Marjanishvili metro stations and a five-minute walk from Orbeliani Bazaar, it's the ideal place to grab a bite to eat and soak up the atmosphere after exploring Tbilisi's Old Town Sololaki district.

This hotel offers indoor and outdoor dining, with a lush interior featuring a massive mirror decorated with the lettering "Tbilisi is never enough", and a plant-filled exterior section with comfortable couch seating. For a panoramic view of the city, try the Atmosphere Bar, which has an excellent selection of artisanal cocktails, and the Tokyo Cheesecake, a tasty twist on the classic dessert.

Makashvilebtan

Address: 19 Simon Kandelaki Street

Makashvilebtan is Saburtalo's best-kept secret, a ten-minute walk from the Medical University Metro station and an excellent summertime sit-and-sip spot with whimsical outdoor seating. Makashvilebtan's standout dishes include *kharcho* (soup with cherry-plum puree base) with *elarji* (cornmeal and cheese balls), apple pie with cinnamon sauce, and *ostri* (tomato-based stew) with *tashmijabi* (cheesy mashed potatoes). These come in shareable portions and are perfect with some of the restaurant's freshly baked bread.

The wine and beer menu is relatively small and focused on quality over quantity, with Alkanaidze Lager and a lovely *saperavi* rosé on offer. The interior is undeniably cozy, but the outside seating really shines, aglow with ethereal lighting after sunset. Plus, the ambiance is welcoming, so you'll be tempted and encouraged to sit and stay awhile. ■

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The rise and rise of Georgian bank shares

To borrow a concept from Warren Buffet, "Mr. Market" has decided that demand for the shares of Georgia's leading banks—TBC Bank Group (TBC) and Lion Finance Group (LFG, Bank of Georgia Group's new name)—merits sharp rises and these have been world-beating. Each bank has attracted growing international fund interest, thanks to strong performance, fintech-driven investor appeal, and Georgia's economic growth—factors that seem to have outweighed concerns over domestic unrest, sanctions-related political risks, and the country's proximity to Russia.

SALLY WHITE

The international investment background has been auspicious for the two London stock market quoted banks, with their sector in favor. Many major international banks saw their share prices rise by double digits last year, the STOXX® Europe 600 Banks index climbing 26%, outdistancing other industry sectors, as they cut costs,

ramped up technology use, and diversified. That was deemed to help offer an investment haven from Trump's tariff blitz in other industries .

"The logic includes points like a steepening [yield] curve, solid shareholder returns, and a recent set of pretty strong recent earnings results, with valuation that is still reasonably relatively attractive that should provide some support," says Trivariate, a New York financial research group commenting on the banking sector.

The Georgian banks, undervalued by their international banking peers despite consistent excellent long term trading performances, have been attracting a lot of attention on the stock-selection screens of international investment newsletters, and in the media. The story, as told by respected UK financial publication *The Investors Chronicle* (IC) earlier this month, was that its screens – from Have It All to Great Expectations, Acquirer's Multiple, Genuine Growth, Safe Yields, and Strategy Screen – were regularly selecting LFG and TBC.

"It's not hard to see why both banks regularly meet our screens' criteria. Improving margins and surging earnings have not resulted in any sizable re-rating beyond the stocks long-term trading averages of less than five times profits. These are cheap, growing, high yielding investments," the IC states. So, it has written up the shares, despite references to condemnation of the country's governance from Transparency International. This kind of coverage is a big encouragement for private retail investors, whose steady, if small, buying has helped fuel the share price rise.

Sentiment has improved on world stock markets where the bank shares are traded. Funds, which had reduced holdings in 2024 when Tbilisi demonstrations against the government's choice to suspend its EU membership bid erupted—drawing peak-time international TV coverage—have bought them back this year.

Innovation and expansion

The Georgian banks have been able to tell an extremely good story, fueling a performance that way outclassed that of their international peers. Shares of LFG have risen by 40% over the last six months and nearly 500% over the last five years, according to financial website Simply Wall Street, and those of TBC are up by nearly 50% and over 500% in those time periods, according to London broker Hargreaves Lansdown.

Both banks have invested heavily to move much of their business online to digitalize, cut costs, extend their portfolio of services, and diversify geographically (TBC by growing virtual banking in Uzbekistan and LFG with the acquisition of a major Armenian bank). Both have highly commendable returns on equity (over 25%), generating confidence in their capacity for future profits. Both offer attractive yields (around 5%) with high dividend expectations, and both have outperforming net margins and low valuations. Yet both are cheap on international comparisons.

Significantly, both have invested in strong and experienced international investor relations teams to market to analysts, fund managers, and the media, capitalizing on their excellent financial results. The handful of analysts following the banks have been guided to steadily raise their revenue expectations and voice positive forecasts, regularly lifting their share price targets as the banks' profits and prospects rose. None of the consistent supply of good stories—giving high visibility into the groups' growing activities and profits—go to waste, and market sentiment is positive. Both banks also have also been doing on-going share buy-backs, spending millions of pounds, supporting their share prices and ratings.

Global investors take notice

Their strategies have enabled the banks to develop into big FTSE 250 constituents with major international, blue-chip, supportive shareholders such as, in LFG's case, JP Morgan Asset Management (5.5% of voting rights), Dimensional Fund Advisors (4.3%), Black Rock (4.2%), Vanguard (3.8%), and M&G (3.3%). These have been long-term supporters and do not fear investing in the developing world, or frontier markets. But this year a new major shareholder appeared in the annual financial report in the form of Helikon Long Short Equity Fund Master, an Irish incorporated equity hedge fund, which took a 5% stake, accumulating 2.2 million shares, helping drive the price.

Detailing its major plus points, LFG commented that: "… in 2024 the loan book grew by 19.3% YoY in constant currency, underpinned by sustained demand across segments. Operating income growth was solid at 11.5% YoY for the full year. Asset quality remained robust, with cost of credit risk for the full year at 0.4%. This translated into a record profit of GEL 1.6bn (up 14.9% YoY), with ROAE standing at 33.5%.

"Additionally, the market has been very welcoming of our transaction in Armenia: we acquired the leading and the top-of-mind bank at an attractive valuation, and we believe we can leverage our best-in-class digital know-how, curated in Georgia, to drive higher growth in Armenia. The transaction was around 20% earnings accretive on day one and the Armenian business now accounts for 25% of our total assets."

It further notes: "The market is beginning to acknowledge our exceptional performance on the digital front. Last year *Global Finance Magazine* named us the best digital bank in the world! We beat regional leaders Santander (Europe) and DBS (Asia) to the top spot globally. Additionally, we have two million monthly active users (which grew by 11% ▸▸

LFG stock value from December 2024 – May 2025

YoY), of which 1.6 million are digitally active (+ 18% YoY). We sell 62% of our products digitally, we have a 57% market share in merchant acquiring (payments) and our Net Promoter Score is 67, which is up there with the 'love' brands." (A marketing term to donate brands that have captured the minds and hearts of their consumers.) .

TBC also commented on its increasing attraction to tech-minded funds. The "main area in which our shareholder register is changing is a rising share of growth/fintech investors excited by our (digital) story." TBC is increasingly positioning itself in announcements as a digital bank, the numbers in its latest quarterly press release being that "among the (2025) target indicators, the group expects seven million monthly active digital users (Digital MAU), including more than 5 million in Uzbekistan. In 2024, Digital MAU in Uzbekistan was 5.9 million (+37.2% YoY), and in Georgia it was 1.1 million (+14% YoY)."

Major institutional shareholders in TBC are also a mix of funds which have been there from the launch on the London Stock Market, but the recent appearance in the top holdings list of JP Morgan and Blackrock has undoubtedly been a contributor to TBC's share price rise. This list now reads: Dunross & Co (6.8%, as of end 2024), Vanguard (4.2%), Allan Gray (3.9%), Schroders (2.1%), JP Morgan (3.7%). And there are newer names attracted by the digital growth story, such as Kora, Wasatch, and Barca. The holdings of the major funds have fluctuated, and this year Fidelity International increased its stake, according to its annual financial report, from 3% to just over 5%, and BlackRock has just announced a rise of over 1% in its total stake up to 6%. This has also helped balance the Allan Gray reduction in its shareholding and the exit from the top list of the EBRD.

In his April statement, TBC CEO Vakhtang Butskhrikidze stated that: "2024 was a year of scaling up our business and expanding the products and services we offer our customers. We are growing fast, and profitably. Our loan book has more than doubled year-on-year to GEL 1,758 million (USD 626 million), while our revenues and net profit increased by 99% and 86% year-on-year, respectively, to GEL 414 million (USD 152 million) and GEL 110 million (USD 41 million). In Uzbekistan, we are now generating excellent returns – 26.9 % ROE and 7.2% ROA, despite investing heavily in new products, back-end infrastructure (such as our state-of-the-art data processing centre and generative AI projects) and fintech talent."

Georgia's growth outlook

Georgia's economic prospects look, for now at least, attractive, driven by fast-recovering tourism numbers, the Ukrainian war boost to goods transit, migration and trading (and, in the background, undoubtedly the growth of the black economy). LFG's reading of the numbers is that:

- "GDP per capita has doubled in the last four/five years – exceedingly strong output growth in a global context.
- Future potential for growth remains high; GDP per capita at c. USD 9,500 compares to a regional average (Central and Eastern Europe) of USD 17,000.

- The current growth performance and outlook remains strong; 1Q25 GDP expanded by 9% (prelim) and the market, once expecting c. 5% growth for 2025, is slowly revising upwards expectations (now c.7% on average).
- Bank lending remained strong during 1Q25, increasing by 16.6% YoY on a constant currency basis, following 17% YoY growth in 2024."

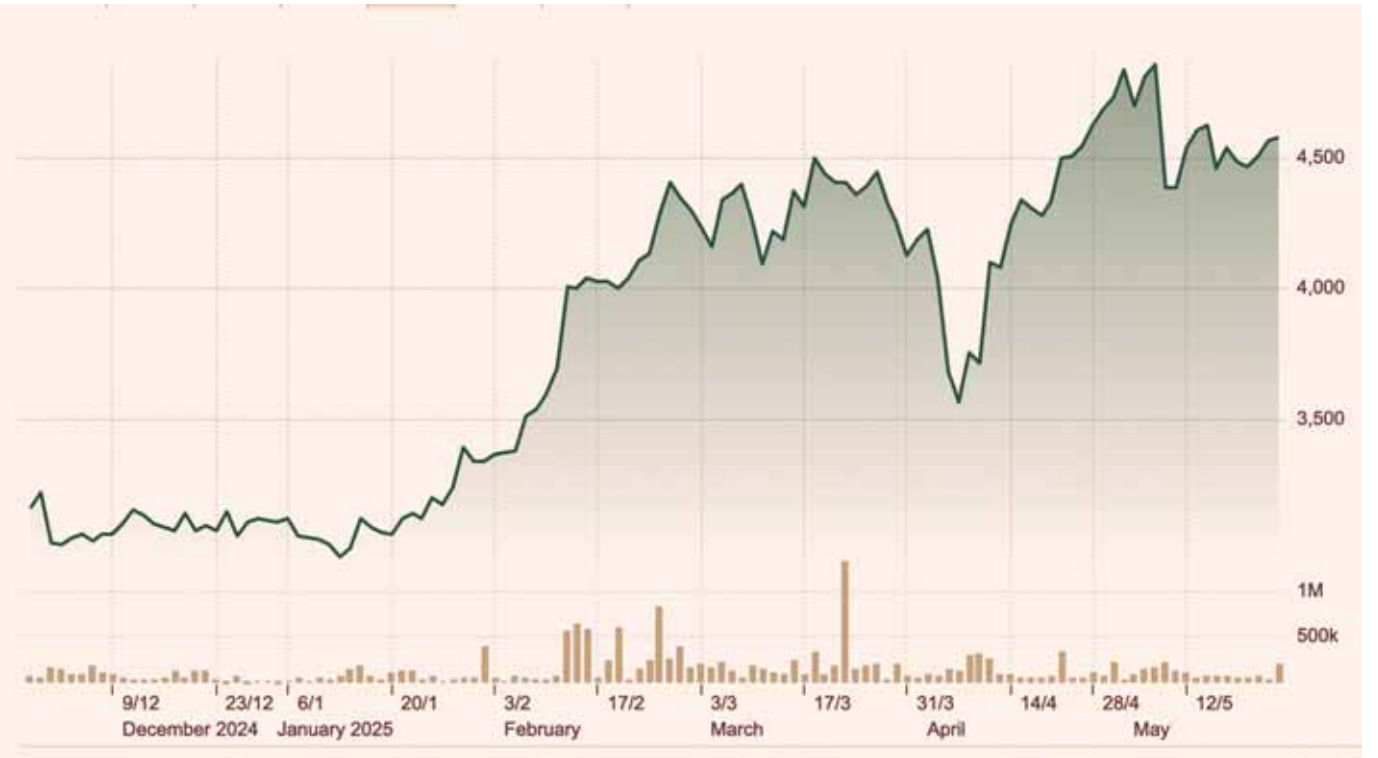
A positive view from international research house Edison, whose view on the economy comes via coverage of investment group Georgia Capital, is that "Georgia's economy continues to exhibit strong momentum, with Q1Y25 GDP growth reaching 9.3%, following 9.4% for the full year 2024". It adds: "While the International Monetary Fund projects a moderation to 6.0% growth for 2025, this still reflects a healthy expansion. Unemployment has fallen to a record low of 15.2%, and the country benefits from resilient foreign exchange inflows, supported by robust tourism receipts and sustained remittances since Russia's invasion of Ukraine in 2022. The combination of solid macroeconomic fundamentals and a gradually stabilizing political environment is enhancing investor confidence."

However, such confidence is not universal and there have been questions raised on the underlying statistics used in government forecasts by leading Georgian economists. They have commented, too, on the lack of stabilizing capital inflows and of industrial and manufacturing development and the huge need for imports, even in food. The heavy economic reliance on volatile tourism and trading makes them concerned. And, while acknowledging Georgia's strong policy framework and other points of superiority in the region, the international credit rating agencies have responded to the effect of "political volatility on investor confidence" by decelerating their forecasts for Georgia's real GDP growth.

The World Bank projects Georgia's growth to slow to 5.5% in 2025 and converge to 5.0% over the medium term, reflecting weaker consumption and investment. It further cautions: "...structural challenges persist, notably weak productivity and limited high-quality job creation. About a third of workers remain engaged in low-productivity agriculture. Georgia also has a large share of self-employed people in other sectors. Access to finance remains a major obstacle for small and medium-sized enterprises (SMEs), while skills mismatches are reported to be an impediment for most firms. Due to its high degree of trade openness and dependence on tourism, Georgia is vulnerable to external shocks."

The London share price of TBC is currently 4,610p, some profit-taking bringing it down from its recent 4,860p high, but investor buying has left it a long way up from last year's 2,264p low. Analysts' consensus rating, according to Value Investing, is a "strong buy" and the median share price forecast is 4998p. LFG, now at 6275p in London, has a one year share price range of 3,550p to 6795p. It lists its latest broker-target high as 9068p, with an average of 6816p.

Currently, therefore, market sentiment on the two banks seems to ignore the cautions and is "risk on". ■



TBC stock value from December 2024 – May 2025

Shaping strategy across borders

JTI's new GM on leading the Caucasus cluster

JTI welcomed Thomas Adams as its new General Manager in May. Thomas joined Gallaher in 1999 and spent 17 years in the UK market's sales department, holding various roles of increasing responsibility. In August 2016, he relocated to Limassol, Cyprus, where he was appointed Market Manager for Israel. In 2018, he moved to Tel Aviv to take on the role of Country Manager, Israel. Since 2021, Thomas has successfully led JTI's operations in Nigeria, before being appointed General Manager of JTI Caucasus.

Welcome to the region! What are your immediate priorities as you take on the role of General Manager overseeing JTI's operations in Georgia, Armenia, and Azerbaijan?

I'm truly excited to join this dynamic and diverse cluster. My immediate priorities are to connect with our teams across the Caucasus cluster, understand the unique challenges and opportunities in each country, and ensure we continue building on the strong foundation already in place. It's important for me to listen and learn – from our employees, partners, and stakeholders – so that we can align our business strategy with the local context. I also want to ensure we stay focused on our commitment to innovation while continuing to deliver value to consumers and contribute positively to local communities.

JTI emphasizes its commitment to sustainability and community engagement globally. How do you plan to adapt or expand these initiatives within the context of the Caucasus region?

JTI's global sustainability and community engagement priorities are deeply rooted in local realities, and the Caucasus region offers a great platform to build on this legacy. We will continue supporting our long-standing partners in each country, ensuring that they make a meaningful impact on the communities where we operate. Each country has its own specific needs, and my goal is to keep our initiatives relevant and effective by collaborating closely with local stakeholders.

With your arrival, are there any new strategic directions or innovations you're looking to introduce in business development across these three markets?

My focus is on reinforcing the well-established base of our operations while identifying opportunities to drive sustainable growth across the cluster. Each market presents its own unique challenges and opportunities, and we are always focused on leveraging these to drive success for the business and the communities in which we operate. For example, the recent introduction of the Plain Packaging regulation in Georgia required us to adapt quickly and strategically to maintain our competitive edge and continue delivering value.

JTI has been recognized as a Global Top Employer by the Top Employers Institute. How do you plan to cultivate this culture of excellence and employee empowerment within your regional teams?

We're incredibly proud to be awarded Global Top Employer for the 10th consecutive year in 2024 – it's a testament to JTI's unwavering commitment to our people. Cultivating this culture of excellence and empowerment across teams starts with truly listening to our employees, understanding what drives them, and creating an environment where they can thrive.

In the Caucasus cluster, we will continue to prioritize professional development, and a strong sense of belonging. We're investing in leadership development, fostering open dialogue, and promoting flexible, people-centric practices that empower our teams to perform at their best. Ultimately, it's about ensuring that every employee feels valued, supported, and inspired to grow with us.

How do you navigate the challenges and opportunities that come with leading operations in three culturally and economically distinct countries within one region?

Leading operations across Armenia, Georgia, and Azerbaijan is both a challenge and a privilege. Each country brings its own unique cultural, regulatory, and economic landscape - and navigating these differences requires a deep respect for local context, strong collaboration with our teams, and a flexible leadership approach.

Our strength lies in having a unified cluster vision while empowering each market to adapt strategies that best fit their environment. We invest time in understanding local consumer behaviors, regulatory trends, and market dynamics, relying heavily on our local teams' expertise. By fostering open communication, sharing best practices, and building a strong sense of purpose across the cluster, we turn diversity into a competitive advantage and drive sustainable growth across all three countries.

Looking ahead, what role do you see the Caucasus playing in JTI's broader regional or global growth strategy?

The Caucasus cluster plays a strategically important role in JTI's broader growth ambitions. We see it as a dynamic and high-potential cluster where we can pilot innovation, grow our market share, and strengthen our local production and export capabilities.

As we move forward, the Caucasus will not only support our commercial goals but also serve as a model for how agility, collaboration, and local insight can accelerate impact within JTI's global strategy. It's an exciting time for the Caucasus cluster and I am thrilled to be part of it!

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Life in the city can often become exhausting, especially when enjoying your favorite streets and doing your daily activities is replaced by constant obstacles.

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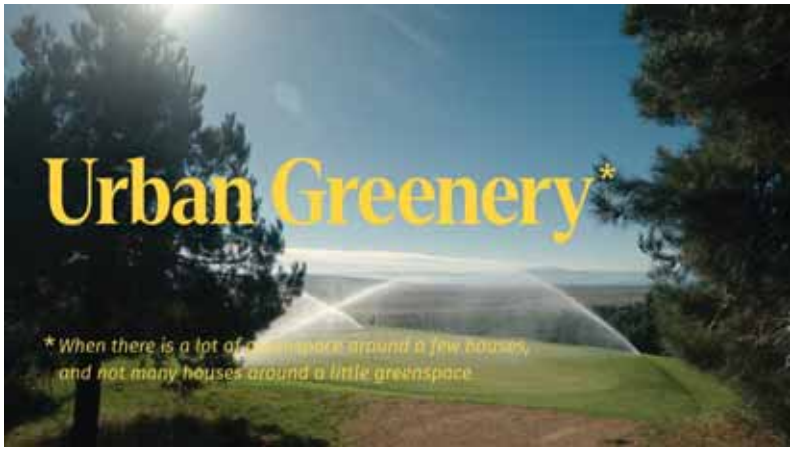

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AmCham

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20 Years of Dedication—Celebrating Dato Pogosyan's Journey with AmCham

Dato, you've been with AmCham for two decades—an incredible milestone! What was it like when you first started?

I joined AmCham back in 2005, just as Georgia was stepping out of a difficult past and entering a new chapter—one of reform, openness, and stronger ties with the business community. It was an exciting time to be part of something bigger. I'll never forget my interview with Amy Denman, AmCham's first Executive Director. She looked at me and said, "Dato, we offer you the job," and I was so happy I could barely speak. I'm still grateful to her for giving me that chance.

Our office was on 1 Nutsubidze Street, and yes—it had plenty of parking! Even back then, AmCham had a strong foundation and a great group of members. We worked hard to create a meaningful space for business communication, and I felt proud to be part of it from the beginning.

What's one of your favorite memories from your time at AmCham?

One of the most memorable moments for me was representing AmCham in the 2005/06 Democracy Cup organized by the UN Association in Georgia. There were 18 teams in the tournament, and we made it all the way to second place! I was the captain of the football team, and it was such a proud moment—being out on the field, competing, and bringing home a medal for AmCham.

Over 20 years, both Georgia and AmCham have changed a lot. What's one big transformation you've noticed?

It's been amazing to watch AmCham grow into one of the strongest and most respected business associations in Georgia. We now have over 250 member companies and continue to expand every year. That kind of growth shows not just the strength of the organization but also the progress Georgia has made in building a stable and supportive economic environment. Being part of that journey has been incredibly motivating.

Is there an event or project you're especially proud to have helped organize?

Definitely our annual 4th of July celebration. It's one of the biggest and most joyful events we host—bringing together over 2,500 guests with great food, entertainment, and a true spirit of community. Helping make that happen year after year is something I take real pride in.

Any final thoughts as you reflect on 20 years with AmCham?

Just a big thank you—to everyone I've worked with over the years and to the team I'm lucky to be with now!

From all of us at AmCham, thank you, Dato, for your 20 years of dedication and hard work. We're lucky to have you as part of our story!

Social: Cocktail Reception at Pasanauri

AmCham Georgia hosted a cocktail reception at Pasanauri restaurant on Baratashvili Street on April 1. AmCham President Irakli Baidashvili welcomed guests and expressed gratitude to Pasanauri for organizing the event. He also shared exciting updates on AmCham's upcoming events and initiatives. Attendees had a wonderful time reconnecting with friends, colleagues, and fellow members while enjoying cocktails, fine Georgian wine, and a delicious selection of traditional Georgian food and desserts.

Committee Meeting

On April 2, AmCham launched its new Healthcare Committee, responding to strong member interest. The committee will unite members active in the healthcare sector, fostering dialogue, collaboration, and advocacy on key industry issues.

Luncheon with Baltic Ambassadors

On April 10, AmCham Georgia hosted a Members Only Luncheon with the ambassadors of the Baltic states: Ambassador of Estonia to Georgia Marge Mardisalu-Kahar, Ambassador of Latvia to Georgia Edite Medne, and Ambassador of Lithuania to Georgia Darius Vitkauskas.

The ambassadors shared their perspectives on the situation in Georgia and regional challenges through a moderated panel discussion, followed by an engaging Q&A session.

AmCham x TBC Capital Event

On April 16, AmCham Georgia, together with TBC Capital, hosted a discussion on current macroeconomic and sectoral trends relevant to the AmCham community. The presentation was followed by an open discussion and informal reception.

Discussion with Professor Stephen Jones

On April 24, AmCham Georgia hosted a presentation and discussion with Professor Stephen Jones, founder of the Program on Georgian Studies at Harvard University. The presentation was followed by a cocktail reception on the beautiful terrace of the Mercure Hotel.

Roundtable with IMF Resident Representative in Georgia

AmCham Georgia hosted a roundtable meeting on May 1 with IMF Resident Representative in Georgia Andrew Jewell, who discussed the country's current economic outlook. Members had the opportunity to participate in a Q&A session.

SelectUSA Pre-Summit Cocktail Reception

On May 6, AmCham held a cocktail reception at Unfound Door for Georgian business representatives attending the SelectUSA Summit later in May. U.S. Ambassador to Georgia Robin Dunnigan and AmCham Executive Director George Welton welcomed the guests, who networked and discussed the upcoming trip.

Board Meeting

On May 7, the AmCham Board of Directors held its May meeting.

Luncheon with the Ambassador of Germany to Georgia

AmCham Georgia hosted a luncheon on May 7 with the Ambassador of Germany to Georgia Peter Fischer, who discussed Georgia–Germany relations and Germany's role in the region. Members also had the opportunity to participate in a Q&A session.

AmCham at SelectUSA 2025

AmCham President Irakli Baidashvili and Executive Director George Welton joined U.S. Ambassador to Georgia Robin Dunnigan in leading a delegation of AmCham members to the 2025 SelectUSA Sum mit from May 11-14 in Maryland. The group included more than 50 businesspeople from Georgia. In addition to attending the event, which supports businesses that want to strengthen their ties to the United States, the AmCham delegation attended several other meetings with U.S. officials, including a meeting at the White House with the U.S. National Security Council, the U.S. State Department, and with U.S. Development Finance Corporation Director Kenneth Angel. AmCham President Irakli Baidashvili and Executive Director George Welton also attended a meeting with the Business Executives for National Security and a meeting with U.S. Chamber Senior Vice President of Global Initiatives Gary Litman. The trip concluded with a farewell reception hosted by the American Georgia Business Council.

Joint Meeting of AmCham and Investors Council

On May 15, a joint meeting of AmCham, its CLT Committee members, and the Investors Council was held in Borjomi to discuss draft amendments to the Law on Entrepreneurs.

NEW MEMBERS

Casa Calda US Corp.
Corp A

The Engineering company Casa Calda Ltd. has been operating in the Georgian market since 2001 and has been an absolute leader. Throughout these years, the company has implemented numerous projects of strategic and regional importance, including multifunctional high-rise commercial and residential buildings, business centers, premium-class hotels, industrial, and governmental buildings. The company currently employs over 700 professionals with broad experience in the industry. Casa Calda is a reliable partner of the well-known European, Asian and American companies in the region.

Casa Calda Ltd. entered the US market in 2023 with services offered in Aluminum architectural solutions and fabrication. The company's long-term plan is to offer full engineering services to US consumers as the company grows. Casa Calda US Corp's manufacturing facility is located in the center of the city of Philadelphia, PA, giving access to all surrounding states' consumers to enjoy with our products that are designed in Europe but crafted in the US.

Within the year of entering the US market, the company managed to complete its first medium-sized project located in the Northeast part of Philadelphia, Pennsylvania. The project included exterior and interior aluminum architectural solutions, curtain wall, and interior wall partitions for an Italian high-end restaurant.

Within the year, Casa Calda Ltd. has managed to establish a strong supply chain system with American and European product manufacturers. Casa Calda Ltd. has become an official regional dealer of two American and two European companies.

casacalda.ge
casacaldaus.com

EMD Group LLC
Corp A

Since its incorporation, EMD Group has believed that its role and responsibility are to provide researchers, educators, hospitals, life science professionals, and other laboratory specialists with the best service and high-quality products at fair and reasonable prices. The company offers a wide assortment of top brand-name products and delivers them to you whenever and wherever you need them.

www.emd.ge

Imposti LLC
Corp B

The company Imposti is involved in construction, rehabilitation, and restoration projects across Georgia, including in mountainous and hard-to-reach areas.

www.imposti.ge

THE Crossroads
Corp A

THE Crossroads is an innovation-driven business platform for economic development and knowledge sharing that contributes to facilitation of innovative and entrepreneurial ecosystem. The vision, around a community of 'THE Crossroaders', is to be a cornerstone in the development of Caucasus and Central Asian regions, positioning it at the forefront of technological innovation on a global level. THE Crossroads brings together different local & global players and stakeholders, interconnects various infrastructures and entities that promote innovation and entrepreneurship.

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