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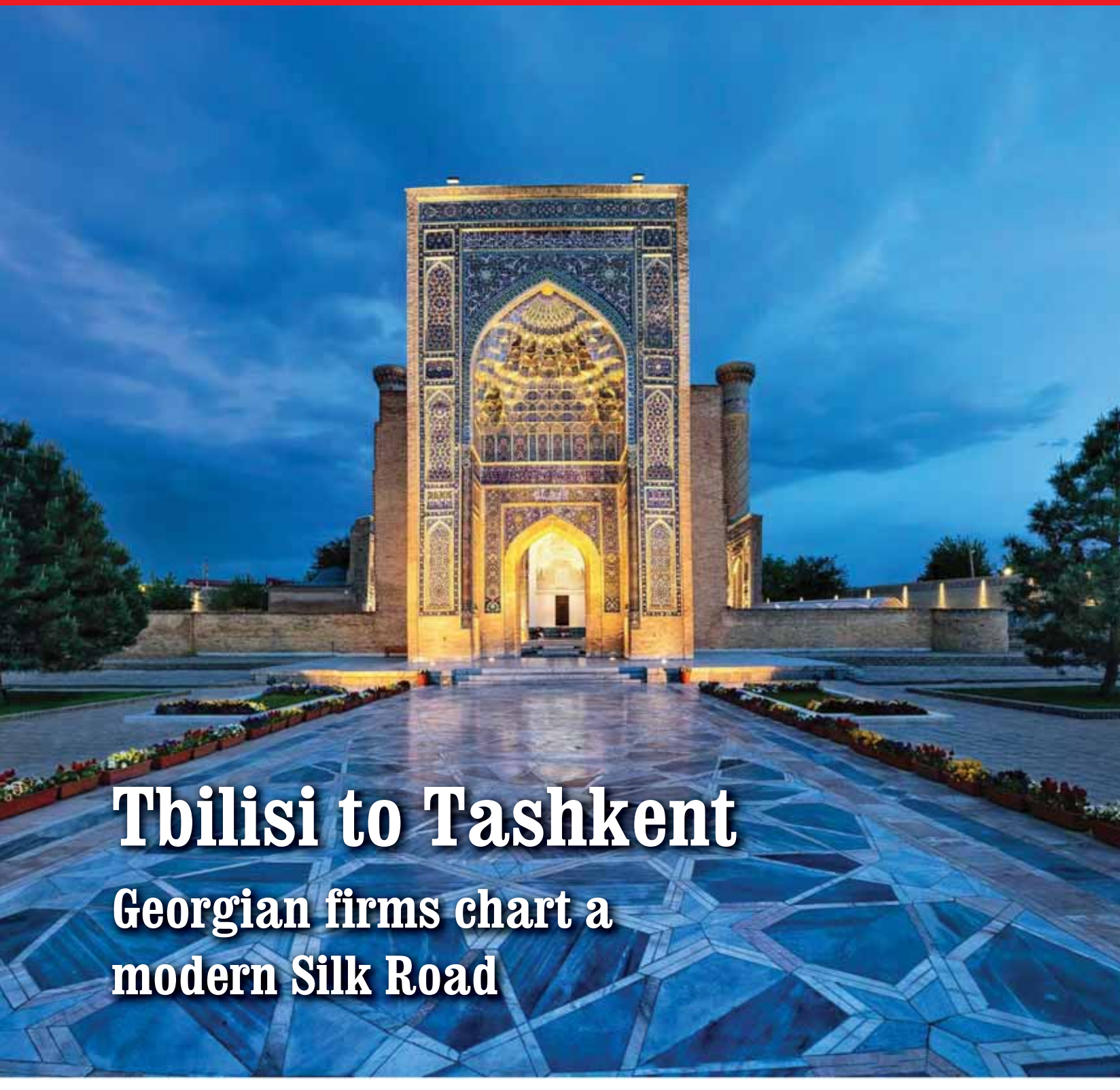

Tbilisi to Tashkent

Georgian firms chart a modern Silk Road

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CONTENT

10

22

30

36

6 Investment News

10 From Tbilisi to Tashkent: Georgian firms chart a modern Silk Road

14 Why renewable energy in Georgia needs capital markets, not just subsidies

16 BLC: When the law comes knocking—how fintech firms can stay ahead

18 Georgia widens the window for international investment with SME bond issuances

22 Brewing beyond the cup—how Georgia's coffee market is evolving

26 Soaking through history: a guide to Tbilisi's time-honored sulfur baths

30 When the milk runs dry—Georgia's cheese sector has a dairy problem

34 TBC Capital: Global recalibration, local resilience—what 2026 holds for Georgia's economy

36 Georgia's ICT sector after the surge: growth, risks, and the skills gap

38 AmCham News

40 AmCham welcomes Diana Kiguradze to the Board of Directors

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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*

World Bank forecasts 5.5% economic growth for Georgia in 2026

The World Bank's *Global Economic Prospects 2026* report from January forecasts that the Georgian economy will grow by 5.5% in 2026, following estimated growth of 7% in 2025. The projection is 0.5 percentage points higher than the Georgian government's official forecast, as the 2026 state budget is based on a 5% growth assumption.

According to the World Bank, Georgia, along with other countries in the Caucasus and Central Asia, continues to demonstrate solid economic dynamics, although growth is expected to moderate compared to the exceptionally strong performance recorded in recent years. The report notes that economic activity in Georgia is projected to normalize from elevated post-pandemic levels, reflecting both domestic adjustments and broader regional and global factors.

The World Bank forecasts that average economic growth across the South Caucasus region will reach 3.3% in 2026. Among neighboring countries, Armenia is expected to grow by 4.9%, Azerbaijan by 1.8%, Turkey by 3.7%, Kazakhstan by 4.5%, Ukraine by 2%, and Russia by 0.8%. In Azerbaijan, growth is constrained by weak hydrocarbon production, driven by declining oil prices and tight fiscal policy.

The report also highlights that the preliminary peace agreement reached between Armenia and Azerbaijan in August 2025 may contribute to greater regional stability and deeper economic integration, which could have positive spillover effects for trade and investment across the South Caucasus, including Georgia.

New mandatory health insurance requirement comes into effect for foreign visitors

All foreign citizens entering Georgia are now required to hold valid health and accident insurance for the duration of their stay, as of January 1. The requirement is established under amendments to the Law on Tourism and is aimed at increasing tourist safety and aligning Georgia's tourism framework with international practice.

According to the regulation, travelers must possess insurance that covers health protection and accident risks, including immediate access to emergency medical services if necessary. The insurance must be valid at the time of crossing the Georgian border. Specific insurance schemes and technical conditions will be approved by a government decree.

Officials have indicated that designated points may be established at airports to allow arriving travelers to purchase insurance upon entry if required. The measure applies to all foreign visitors, regardless of nationality, and is intended to reduce financial and administrative pressure on Georgia's healthcare system while enhancing visitor protection.

Central bank keeps refinancing rate unchanged at 8%

On January 10, the Monetary Policy Committee of the National Bank of

Georgia (NBG) decided to maintain the refinancing rate at 8%, citing persistent inflationary risks despite signs of normalization. Inflation declined to 4.8% in November and further to 4% in December, down from earlier peaks.

The NBG noted that core inflation stood at 2.3%, while service inflation was close to the 3% target at 2.6%. Food prices remained the primary driver of headline inflation. According to the central scenario, inflation is expected to average 4% in 2025 and gradually approach the 3% target from the second quarter of 2026.

The committee considered both high- and low-inflation risk scenarios, including global commodity price volatility, geopolitical risks, and shifts in aggregate demand. It stated that future policy adjustments will depend on updated data and risk realization. The next MPC meeting is scheduled for February 11, 2026.

Tbilisi International Airport expansion to double passenger capacity with $150 million investment

On January 3, the Ministry of Economy and Sustainable Development announced that a $150 million investment agreement has been reached with ADP Group, the owner of TAV Airports, to expand the capacity of Tbilisi International Airport. Under the revised agreement, TAV will remain the airport's operator until 2031, extending the original concession period that was set to expire in 2027.

The investment will double the airport's annual passenger handling capacity from 5 million to 10 million passengers. The expansion includes increasing the number of aircraft stands from 58 to 65 and upgrading terminal infrastructure. The state-owned Union of Airports of Georgia will receive an advance payment of $25 million and a threefold increase in annual revenue from the airport under the revised commercial terms.

According to government data, Tbilisi International Airport served 5.4 million passengers in 2025. In 2024, TAV Urban Georgia reported revenue of 341.4 million GEL and profit of 184.2 million GEL. The airport currently generates $25 per departing international passenger in service fees.

The agreement also includes marketing support for airlines to encourage new routes and attract additional international carriers. The government continues to plan the development of the new Vaziani Airport project, expected to become operational in 2031 with a planned capacity of 20 million passengers annually.

Georgia's IT sector generates record $791 million in foreign revenue

On January 18, the National Bank of Georgia published data showing that Georgia's IT sector generated $791 million in foreign revenue during the first nine months of 2025, a 66% YoY increase. The figure exceeds the sector's total foreign income for all of 2024, which stood at $688 million.

Employment in the information and communication sector increased to 52.5 thousand workers in 2025, up from 30.6 thousand in 2021. As of the third quarter of 2025, average monthly salaries in the sector reached 4,277 GEL, reflecting a 7% annual increase.

The growth of the sector in recent years has been partially attributed to the relocation of foreign IT specialists to Georgia.

Banking sector profit expected to reach ₾3.3 billion in 2025

In early January, the Banking Association of Georgia announced that commercial banks' profits are expected to reach 3.3 billion GEL for 2025. According to the Association's analytical director David Rusia, sector assets grew by approximately 10% during the first 11 months of the year, with loan growth reaching 13–15%.

Retail lending remained the primary growth driver, although corporate lending accelerated in November. Dollarization levels continued to decline in both loans and deposits, aligning with recommendations from international rating agencies.

Commercial banks generated 2.98 billion GEL in profit during the first 11 months of 2025, representing a 4% YoY increase. The association noted improvements in return on equity and overall profitability indicators.

Georgia and Serbia launch free trade negotiations

On January 12, the Ministry of Economy announced that Georgia and Serbia have formally launched negotiations on a bilateral free trade agreement. The announcement followed an official visit by Georgian Dream Minister Mariam Kvrivishvili to Serbia, where she co-chaired the second session of the Georgia–Serbia Joint Commission for Trade and Economic Cooperation alongside Serbian Minister Jagoda Lazarević.

Following the session, the parties signed a joint statement confirming the start of FTA negotiations. Discussions focused on strengthening bilateral trade, economic cooperation, and investment ties. As part of the visit, the Georgian delegation reviewed the Eagle Hills Belgrade Waterfront project and visited the Belgrade Exhibition Center, which will host Expo 2027 from April to August 2027.

Final section of Rikoti highway opens, completing key East–West corridor segment

The remaining 4-kilometer section of the Rikoti Chumateleti–Khevi road was officially opened on January 14, completing the final unopened segment of this part of the East–West Highway.

The Chumateleti–Khevi section spans 11.7 kilometers and required an investment of 330 million GEL. Overall, the Rikoti project includes 52 kilometers of new four-lane road, 51 tunnels, and 97 bridges. At present, 48 kilometers are already operational, reducing travel distance by 8 kilometers and significantly reducing travel time.

The total cost of the project is approximately 2.6 billion GEL and is financed through loans from the Asian Development Bank, European Investment Bank, World Bank, and the Georgian state budget.

Georgia's foreign exchange reserves reach record $6.16 billion

The National Bank of Georgia reported on January 22 that foreign exchange reserves had reached a record $6.16 billion in December 2025, representing a 38% YoY increase. Reserves increased by $342.6 million during December alone.

The growth was driven in part by large-scale dollar purchases by the NBG and a rise in gold prices. Gold now accounts for 16.3% of total reserves, valued at $1 billion. The bank purchased over $2 billion in foreign currency during January–November 2025. Updated reserve data will be published on February 6, 2026.

Georgia's imports reach $18.5 billion in 2025

On January 26, the National Statistics Office of Georgia reported that the country imported goods worth $18.5 billion in 2025, an annual increase of 9.7%. Exports totaled $7.3 billion, reflecting 11% YoY growth.

Passenger cars dominated imports at $3.9 billion, though $2.8 billion of this amount was re-exported, leaving net imports of approximately $1.1 billion. Petroleum products ranked second at $1.3 billion, followed by packaged medicines at $680 million.

Import data were influenced by a one-off operation in January related to the relocation of works of art to Georgia, which added $482 million to imports. Excluding this transaction, total imports would have amounted to around $18 billion, with annual growth closer to 5%. Turkey remained Georgia's largest import partner, followed by the United States and China.

E-commerce market triples to ₾3.5 billion, forecast to reach ₾10.7 billion by 2030

On January 27, investment bank Galt & Taggart reported that Georgia's e-commerce market tripled in size between 2018 and 2024, reaching 3.5 billion GEL. The market is expected to grow to 4.7 billion GEL in 2025 and 10.7 billion GEL by 2030.

Domestic sales accounted for 61% of the market in 2024, while cross-border orders made up 39%. The number of online buyers increased to 1 million, and more than 10,000 Georgian companies were engaged in online sales in 2025.

Annual inflation declines to 4% in December

On January 20, Geostat reported that annual inflation in December 2025 declined to 4%, down from 4.8% in November. Food and non-alcoholic beverages remained the largest contributors, with prices increasing by 8.8% YoY.

Healthcare prices rose by 7%, while alcoholic beverages and tobacco prices increased by 4.4%. Price growth was also observed across outpatient medical services, hospital services, and pharmaceutical products. ■

From Tbilisi to Tashkent:
Georgian firms chart a modern Silk Road

Uzbekistan has rapidly emerged as one of Central Asia's most attractive destinations for foreign business expansion, particularly for companies from neighboring regions such as Georgia.

GIGA BERUASHVILI

Since President Shavkat Mirziyoyev took office in 2016, Uzbekistan has pursued wide-ranging market-oriented reforms, including sector liberalization, privatization, improved transparency, streamlined business registration, and incentives for foreign direct investment (FDI). These efforts have translated into strong economic indicators. In 2025, Uzbekistan's GDP reached approximately €133 billion (around $137–145 billion), with economic growth of 7.7%. Exports rose by 23% to roughly $33.4 billion, while FDI and total investment approached $43 billion, supported by free economic zones, tax incentives, and the gradual alignment of regulation with international standards.

With a population exceeding 37 million—the largest in Central Asia—Uzbekistan offers a scale that smaller regional markets cannot provide alone. A young, increasingly digital population, strategic positioning along key trade corridors such as the Middle Corridor, and ongoing modernization across infrastructure, energy, IT, and finance make the country particularly attractive to foreign investors.

The government's push for international partnerships, including initiatives such as its IT Park, which offers tax incentives and simplified visa regimes for technology firms, has drawn interest across a broad range of sectors. For Georgian companies, operating in a young, post-Soviet economy like Uzbekistan represents a logical next step in regional diversification. Cultural familiarity, shared business practices, and growing bilateral trade further reinforce this trajectory.

From interest to action: Georgian firms enter the market

This momentum has already moved beyond theory. In the last year, Georgian companies have begun testing their ambitions on the ground—most visibly through a dedicated business forum and expo held in Tashkent by the Sales Association and TBC For Business. Designed specifically to connect Georgian firms with local partners and institutions, the scale and reception of the event sent a clear signal: expansion into Central Asia is no longer speculative.

The Tashkent forum was supported by the Uzbek Investment Promotion

Agency under the Ministry of Investment, Industry and Trade, as well as organizations such as AmCham Uzbekistan. The event opened with remarks from Georgia's official representative in Uzbekistan and attracted approximately 4,000 attendees on the main exhibition day.

From Georgia, 46 companies participated across sectors including construction, healthcare, logistics, IT, consulting, tourism, and advertising, engaging directly with Uzbek counterparts through structured B2B meetings. The forum combined conference sessions with dedicated matchmaking spaces, offering participants both strategic insight and direct access to partners, regulators, and institutions. Uzbek representatives outlined the investment climate, company registration processes, and priority sectors, complemented by real-world experiences shared by Georgian firms already operating in the country.

TBC For Business supported the initiative as part of its broader mission to accompany companies through every stage of growth. Leader of TBC Bank's Business Segment Management League Vepkhvia Lominashvili emphasized the importance of hands-on market entry support:

"This kind of platform helps companies take their first steps in a new market more confidently—by building partnerships, understanding local specifics, and accessing financial support when needed."

Ketti Kvartskhava, AmCham Board Member and Managing Partner at BLC Law—one of the Georgian firms now operating in the market—describes Uzbekistan as offering both complexity and opportunity:

"Uzbekistan is a large market with corresponding challenges, but also significant potential due to its population and the state's reform agenda. The country is actively adapting its legislation to international trade requirements. While geopolitical risks always exist, Uzbekistan remains relatively stable and focused on creating a favorable business environment."

This balance of manageable risk, reform momentum, and access to a large consumer base has encouraged Georgian firms to expand their regional presence. Early entrants in banking and finance have helped pave the way for companies in legal services, construction, retail, and beyond.

Early movers and sectoral success stories

One of the most prominent examples is TBC Bank Group. The Georgian financial institution entered Uzbekistan in 2020 with TBC Uzbekistan, developing a digital-first banking ecosystem tailored to the local market. By 2025, the bank ranked among leading CIS financial institutions and reported strong contributions to group performance, driven by growth in both Georgia and Uzbekistan.

TBC's expansion has extended beyond traditional banking. The launch of products such as the Salom Card and digital insurance services helped establish a broader ecosystem, while continued investment in payments, SME lend-

ing, and AI-driven solutions reinforced its market position. In August 2025, TBC acquired a majority stake in OLX Uzbekistan through a joint venture, integrating the popular classifieds platform into its digital services offering. The bank has also registered TBC Capital within Uzbekistan's capital market sandbox and acquired a majority stake in BILLZ, a leading retail SaaS platform—signaling long-term ambitions in the country's financial sector.

Within five years, TBC's digital ecosystem reached nearly 20 million users. In just two years, it reported profits—a record time among global digital banks—and was ranked among the World's Top Fintech Companies in the neobanking category by CNBC and Statista, becoming the first firm from Central Asia to achieve this distinction. Reflecting on this growth, CEO of TBC Uzbekistan Nika Kurdiani told *BM.ge*:

"Uzbekistan is one of the most exciting, high-growth markets for digital financial services globally, and we are proud to be leading the way. The rapid, profitable growth we continue to achieve in the country, while staying committed to innovation, demonstrates both the strength of the market and its opportunities."

Alongside finance, professional services have followed. BLC Law opened its first international office in Tashkent in 2025—its first overseas branch under its own brand. Established in the early 2000s, the firm specializes in energy, finance, corporate law, tax, infrastructure, and international arbitration.

Explaining the decision, AmCham Board Member and BLC Managing Partner Ketti Kvartskhava points to strong strategic alignment:

"We understand Uzbek culture, the state structure, and the legal system quite well. Uzbekistan is the Central Asian country with the most clearly articulated reform agenda and a strong interest in attracting foreign investment. We believe our experience can support both international investors and Georgian businesses entering the market."

The Tashkent office brings together local Uzbek lawyers and teams from Tbilisi, with staff exchanges supporting knowledge transfer. BLC advises Uzbek companies pursuing international expansion as well as foreign investors entering Uzbekistan, drawing on Georgia's own experience with legislative reform and market liberalization.

"Uzbekistan has serious reforms planned, and we are ready to participate in them," Kvartskhava adds.

In construction, Element Construction represents another notable Georgian entrant. Founded in 2007 and part of Element Holding, the company specializes in industrial, hydrotechnical, and civil construction. In 2024, it entered the Uzbek market as part of its regional growth strategy. As Director Davit Cholokava explains:

"From the beginning, Element Construction positioned itself as a company aligned with international standards. Our experience with large-scale industrial and civil projects laid the groundwork for regional expansion, and Uzbekistan became our first step beyond Georgia."

Uzbekistan's demand for infrastructure development, manufacturing facilities, logistics hubs, and modern urban spaces closely aligns with the firm's expertise. Rather than entering independently, Element Construction adopted a partnership model, operating through a joint venture with Beltera Holding—an Uzbek-British company—under the T-SOD project structure commonly used in Uzbekistan to manage large-scale construction and development projects.

"The local partner brings deep knowledge of regulations, business culture, and operational realities, while we

contribute international experience and project management expertise," Cholokava notes. "This significantly reduces entry risks and supports sustainable growth."

The partnership has already enabled the delivery of industrial, commercial, and residential projects, including a large-scale multi-apartment residential complex, positioning the company for further regional expansion.

Taken together, these success stories highlight a broader shift in Georgian business strategy toward Uzbekistan—one defined by careful market analysis, strong local partnerships, and the targeted application of sector-specific expertise.

Facilitating market entry: AmCham Georgia's role

In an effort build on member interest as well as to facilitate and support new networks, AmCham Georgia has been increasingly engaging with other AmChams across the Central Asia region. Over the last two years, AmCham Georgia has been a leading participant in AmCham Eurasia Economic Conferences that have brought together AmCham Presidents, Executives, and members from Greece to Kyrgyzstan.

AmCham Executive Director Dr. George Welton also recently attended the B5+1 Conference in Bishkek. The forum, which has existed since 2024, brings together private sector players from Central Asia and facilitates their contacts with U.S. companies. It is currently facilitated by the U.S. Government's Center for International Private Enterprise (CIPE) to encourage greater engagement across Central Asia and stronger private sector connections between the regions and the U.S.

Across several sectors, Georgian firms are moving beyond exploration to establish a durable presence, capitalizing on Uzbekistan's reform-driven environment, expanding consumer base, and infrastructure needs while helping to shape an increasingly connected, cross-border business ecosystem along a modern Silk Road.

As Dr. Welton explains, "Connecting Georgia with Central Asia is clearly a priority of our members and the U.S. Government as they both see huge growth opportunities in the region and a strong demand for outside expertise and financing. For example, while Georgia is very much smaller than Uzbekistan, the professional space in Georgia is unparalleled in the region, particularly in relation to financial services, online service delivery, transport and logistics, retail, and tourism. The combination of Georgian and international expertise, with a Western-oriented and developing business environment is a recipe for great success." ■

Why renewable energy in Georgia needs capital markets, not just subsidies

LEVAN KOKAIA

Developing capital market instruments is essential to unlocking scalable and sustainable financing for Georgia's renewable energy sector. While the country benefits from strong fundamentals—abundant hydropower resources, growing solar and wind potential, and a clear political commitment to energy independence—renewable energy projects continue to face constraints in financing depth, scalability, and long-term investment sustainability. Significant untapped potential remains, but structural gaps in the financial system continue to limit its realization.

The core challenge is not insufficient state support, but the absence of a risk-absorbing layer within the financial system. Georgia's renewable energy financing model remains heavily reliant on tariff-based support schemes, including Contracts for Difference (CfDs) introduced in 2022, while capital market instruments remain largely undeveloped. As a result, risks that could be distributed across financial markets are instead concentrated on individual project balance sheets, raising financing costs and reducing efficiency.

Subsidies solve prices, not risk

Georgia's CfD mechanism and legacy power purchase agreements (PPAs) have improved revenue predictability, particularly for hydropower and utility-scale solar projects. These instruments, however, primarily address price risk. They do little to mitigate non-price risks such as grid congestion, curtailment exposure, regulatory change, foreign exchange volatility, and delays in grid connection—each of which has material financial implications.

In practice, these risks undermine cash-flow predictability and increase the cost of capital. Several renewable energy projects approved under existing support schemes continue to face uncertainty around actual grid availability, particularly during peak hydrological seasons. Curtailment risk—forced reductions in power generation due to grid constraints—remains largely uncompensated, directly affecting debt-service coverage ratios. This has been observed in small and medium hydropower plants in eastern Georgia, where unexpected curtailments during high-water periods led to temporary revenue losses, increasing financial pressure on developers and limiting reinvestment capacity.

Why more subsidies will not fix the problem

Expanding subsidies may increase the project pipeline, but it will not resolve underlying structural weaknesses in financing. Overreliance on state support risks crowding out private capital and delaying the development of market-based solutions. Subsidies are most effective as transitional tools to de-risk

What Are Contracts for Difference (CfDs)?

Contracts for Difference (CfDs) are state support mechanisms designed to stabilize revenues for renewable energy producers. Under a CfD, a reference market price for electricity is compared to a pre-agreed strike price. If market prices fall below the strike price, the state pays the difference to the producer; if prices rise above it, the producer pays the excess back to the state.

early-stage investments; without parallel development of capital market instruments, they cannot deliver sustainable, long-term financing or broaden investor participation.

The missing layer: capital market instruments

In mature energy markets, capital markets complement subsidies by absorbing and redistributing long-term risk. Georgia currently lacks this layer. There is no established green bond market linked to renewable assets, no dedicated infrastructure funds focused on energy, and no dividend-paying renewable energy vehicles or securitization structures that could provide liquidity for investors.

As a result, financing remains heavily dependent on bank lending and international financial institutions. While both have supported individual projects, this financing is typically project-specific and balance-sheet intensive. Capital markets—which could pool assets, diversify risk, and attract institutional investors—remain largely absent. This constrains investment appetite, particularly among long-term investors seeking stable, predictable returns.

Why banks cannot carry the burden alone

Banks are not designed to absorb systemic or regulatory risk. In Georgia, lenders price uncertainty through higher margins, shorter tenors, and conservative debt sizing. In renewable energy financings, loan maturities often fall short of asset lifetimes, increasing the refinancing risk. Even projects with strong projected cash flows therefore struggle to secure affordable long-term debt, limiting sectoral scale-up.

Capital markets, by contrast, allow institutional investors to accept lower returns when risks are diversified, transparent, and tradable. Georgia's current regulatory framework does not yet enable this type of participation. Properly structured instruments—such as green bonds, renewable energy funds, or securitized project portfolios—could offer predictable cash flows while distributing risk across a broader investor base, improving bankability and scalability.

What Are Power Purchase Agreements (PPAs)?

Power Purchase Agreements (PPAs) are long-term contracts between electricity producers and buyers—typically utilities or large consumers—under which electricity is sold at agreed terms and prices. PPAs provide revenue visibility by locking in offtake conditions over many years, making them a common financing tool for renewable energy projects.

The equity gap: Georgia's weakest link

Renewable energy projects in Georgia are often financeable but not fully investable. Exit options are limited, secondary transactions are rare, and valuation benchmarks remain unclear. Regulatory approval requirements for changes in control add further friction. Without capital-market exits—such as listed infrastructure vehicles or portfolio sales—equity investors demand higher returns or stay on the sidelines altogether. This slows capital inflows and disproportionately affects medium-scale solar and wind projects.

Georgia's renewable energy sector also remains largely project-centric, with each asset financed individually. This increases transaction costs and constrains scale. Capital markets enable portfolio financing, where assets are pooled, risks diversified, and capital mobilized more efficiently. In Europe and North America, such approaches have reduced costs, attracted institutional investors, and accelerated renewable energy deployment. In Georgia, combining small hydropower plants with emerging solar projects into diversified portfolios could create investable products suited to long-term investors.

A capital markets agenda for Georgia

Policy efforts should focus on enabling green and infrastructure bonds, pooled investment vehicles, and clear rules for asset transfers and securitization. These reforms would complement—rather than replace—existing support schemes. Introducing standardized legal frameworks for project transfers, portfolio sales, and investor protections would further enhance confidence among domestic and foreign investors. Investor education and market-building initiatives could also play an important role in accelerating adoption.

Georgia's renewable energy challenge is not one of ambition, but of financial architecture. Without robust capital market instruments to absorb and distribute risk, financing will remain costly, constrained, and dependent on subsidies. Developing mechanisms such as green bonds, pooled investment vehicles, and securitization can transform the sector into a scalable and investable market. Capital markets are not merely a financing tool—they are central to unlocking long-term growth, resilience, and security in Georgia's renewable energy sector. ■

Levan Kokaia is a strategic advisor in renewable energy and a lawyer for the Georgian Renewable Energy Development Association (GREDA).

When the Law Comes Knocking: HOW FINTECH FIRMS CAN STAY AHEAD

BLC served as a Bronze Sponsor of the Global Finance & Technology Network (GFTN) Tbilisi Finance Summit 2025, which took place on 22–23 October. This flagship summit, co-organized by the National Bank of Georgia, brought together global leaders in financial technology, regulatory policy, investment, and innovation to discuss emerging capital flows, evolving regulatory frameworks, and the accelerating digital transformation of financial services.

As part of the summit's program, BLC delivered a presentation during the GFTN workshop titled "***When the Law Comes Knocking: How Fintechs Can Stay Ahead.***" The discussion focused on the practical regulatory challenges fintech firms face when expanding into new markets, drawing on Georgia's experience as a growing fintech hub and on cross-border trends observed across multiple jurisdictions.

Below, we distill the key legal and strategic takeaways for fintech firms seeking to scale responsibly amid increasing regulatory scrutiny.

Regulatory Hurdles

The key question for fintech firms is no longer whether regulation will apply but how prepared they will be when it does. As they expand into new markets, fintech firms must navigate a fragmented regulatory landscape rather than a harmonized global framework.

Licensing and authorization remain one of the first and most complex hurdles. Payment services, electronic money issuance, virtual asset services, and other regulated activities are subject to jurisdiction-specific regimes. In Georgia, as in many jurisdictions, this frequently requires the establishment of a local legal entity and engagement with the National Bank of Georgia at an early stage.

Banking access and cross-border payments present equally significant challenges. Even fully compliant fintech firms may struggle to secure correspondent banking relationships without robust AML/KYC frameworks aligned with local and international standards. Restrictions on settlement currencies and foreign-exchange controls can further complicate operations if not addressed during the structuring phase.

Data protection and privacy have also become central to fintech compliance. Georgia's personal data protection framework increasingly reflects GDPR-style principles, particularly with respect to lawful processing,

transparency, and cross-border data transfers. Firms that treat data compliance as an afterthought often face costly restructuring down the line.

Beyond formal regulation, cultural and operational alignment plays a decisive role. Consumer trust, onboarding practices, disclosure expectations, and complaint-handling mechanisms vary significantly across jurisdictions. Simply replicating a foreign business model (by translating existing terms and conditions, for example) rarely satisfies local consumer protection requirements.

Transforming Compliance Hurdles to Strategic Advantage

Regulation does not need to be reactive. Fintech firms that integrate legal strategy into their growth plans are better positioned to scale sustainably.

Early engagement with regulators is critical. Informal consultations with supervisory authorities can clarify whether proposed activities trigger licensing requirements, what documentation will be needed, and how long approval processes are likely to take.

Strategic partnerships can significantly reduce entry barriers. Collaborating with licensed payment service providers, BIN sponsors, or local financial institutions allows fintech firms to operate within an existing regulatory perimeter while testing the market.

Flexible structuring is another key tool. Simple shareholding arrangements, sandbox participation, white-label solutions, and phased licensing strategies enable fintechs to manage risk while preserving growth optionality.

Data protection by design should be a foundational principle. Aligning internal policies, IT architecture, and vendor arrangements with data protection requirements from the outset is far more effective than retrofitting compliance after launch.

Finally, localization of consumer protection is essential. Disclosures, risk warnings, marketing practices, and user journeys must reflect local law and consumer expectations – not merely mirror foreign templates.

Key Takeaways for Fintech Firms

Several core principles emerge from the regulatory experience of fintech firms expanding into new markets:

- Regulation is not inherently a barrier if anticipated early and addressed strategically.
- Localization, whether legal, operational, or cultural, is a decisive factor in building trust and adoption.
- Strong compliance frameworks enhance credibility with regulators, banks, and users alike.

In an increasingly interconnected financial ecosystem, fintech success depends not only on innovation, but on the ability to navigate regulation with foresight and precision. BLC works with fintech firms, banks, and investors at every stage of growth, turning regulatory requirements into practical, business-focused solutions. Anticipating regulatory expectations, localizing compliance frameworks, and engaging constructively with supervisors are no longer optional—they are core elements of sustainable growth. When the law comes knocking, preparation makes all the difference.

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ADVERTISEMENT

Georgia widens the window for international investment with SME bond issuances

Georgia's capital markets are adding diversity, attracting international investors by giving access to promising niche, high growth sectors.

SALLY WHITE

Under an Enterprise Georgia program, a total of 12 companies issued bonds last year, raising around 900 million GEL ($334 million). While this was a relatively small percentage of overall funding on the capital market, it highlights the increasing volume diverted away from bank borrowing—a move sought by the international investment banks that are keen on reducing the bank-centric nature of the country's financial landscape.

Most of these companies are not exactly tiny, but, as they come from economic groups and sectors the government wishes to encourage, they have been able to benefit from an Enterprise Georgia scheme offering technical and financial incentives to drive bond issues from small and medium-sized enterprises (SMEs). This has opened windows on vibrant sectors in the economy aligned with the resilient consumer industries, and introduced hitherto relatively unknown names to international funds. Included are outdoor advertising leader Alma, fast-growing micro bank MBC, and shopping mall front-runner MP Development.

The companies' bonds have been received with enthusiasm by local banks' investment departments, international funds, and Georgia's pension fund. These placements were managed by TBC Capital and Galt & Taggart: Alma and MP Development bonds were placed by TBC and Galt & Taggart, and TBC placed the MBC bond.

Alma

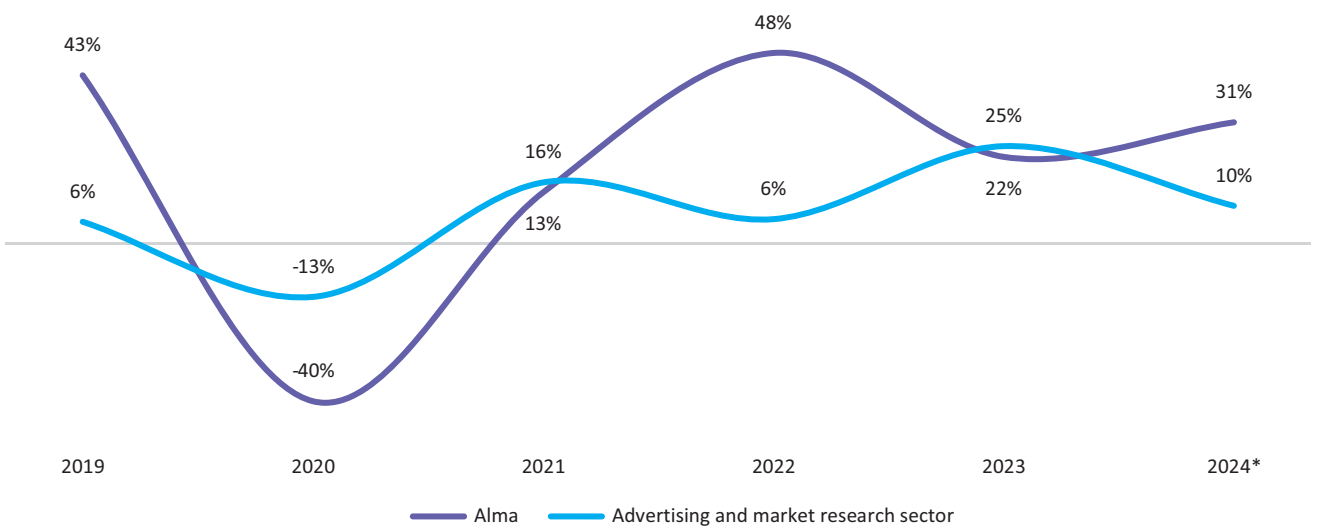
Outdoor advertising company Alma is one of Georgia's star SMEs bond issuers, at the very top of the SME sector in scale with an industry sector share in Tbilisi of around 90%—and highly profitable. In fact, when *Forbes* business magazine ran its calculator over Alma's numbers to create an assessment of the company's value, it ranked Alma on its criteria as the country's No. 14.

In July, Alma announced the issuance of bonds, making its debut in the markets and becoming the first advertising company traded on the Georgian Stock Exchange. The issuance involved two separate tranches to refinance existing bank liabilities. A dollar tranche, aimed

at raising $30 million, carries a coupon of 8.5% and matures in July 2027. A EUR tranche, aimed to raise up to EUR 8.5 million, carries a coupon of 7.5% and also matures in July 2027.

The National Bank of Georgia's comment was that Alma's debut issuance "attracted strong interest from both local and international investors, with participation from more than 150 individual and institutional investors." The internationally attractive yields were 8.5% on the dollar issue and 7.25% on the Euro one.

Alma's chairman is Business Association of Georgia Chair and Wissol Group President Soso Pkhakadze. The company was formed in 1995, joined the Wissol Group in 2013, and since 2016 has been steadily adding services. If its name is not well-known, its products certainly are as they range from billboards on bridges, buildings, and rooftops; light boxes and dynamic video screens for ad



Source: SARAS, National Statistics Office of Georgia; TBC Capital estimates in the case of advertising and market research activities

displays in both Tbilisi and Batumi airports; and ads at bus and metro stops and on buses. Alma owned over 1200 billboards at the end of 2024 and has its own printing facilities and installation and maintenance teams. It offers up to ten advertising channels to its core large corporate clients across the country.

Major customer sectors last year for Alma were retail and online, international organizations, developers, and governments and embassies. No separate figures are published for Georgia's advertising market—it is bundled with market research in the country's official data gathering, and this has shown strong growth. According to the National Statistics Office of Georgia, in 2023, post-Covid total turnover was GEL 922 million—representing a 25% increase compared to 2022. The compound annual growth rate for the 2019–2023 period was 7.3%.

Alma's borrowings shot up by 55% in 2024, as it needed to finance obtaining the permit for placing advertising media in Batumi. Its total liabilities rose to GEL 158 million, hence the bond issues.

MP Development

From the same parent company (Wissol Group) have come bonds from MP Development, the property management company with a significant portfolio that includes major shopping centers in prime locations across the country—18 sited in Tbilisi and in other cities in Georgia. These centers encompass a total rental area of over 70,000 square meters and host more than 400 partner shops, attracting around 21 million visitors annually.

MP Development was established in 2012. A private company, it is owned apart from Wissol, which is now one of Georgia's largest holding companies, by the investment firm Riverside Invest. Founders are listed as Levan Pkhakadze and Tamar Gamgoneishvili, with Papuna Katsitadze as the current CEO.

The company's primary focus is the development and management of commercial properties. Its declared mission includes "driving the growth of international brands within the Georgian market," supporting regional development, and creating jobs.

MP Development's latest development, an excellent example of the company's strategy, is the recently launched 30 million GEL multifunctional shopping mall in Telavi. CEO Papuna Katsitadze told *Commersant* that the opening of the space will be divided into several stages, the first stage being the opening of the 5,000 sq. m. shopping center. Telavi Mall will house a cinema, food outlets, and clothing stores.

"We have tenants such as a cinema, a grocery store, a pharmacy, and clothing brands, including LC Waikiki. Also, perfume brands and others. There will be a full-fledged shopping center, includ-

ing food outlets. There will be a three-hall cinema, where the company Dream Cinema will operate, which is new to the Georgian market. We are negotiating with McDonald's in the food section," Katsitadze said.

The development will cover four hectares overall, and services will be expanded gradually. "We intend to open a building materials hypermarket Domino on the remaining 5,000 m². In addition, we plan to arrange a furniture sales center, similar to Saba in Tbilisi. We plan to place a health center and a car service in the future," Katsitadze added.

Three MP Development bonds are currently listed on the Georgian Stock Exchange: one EUR 3 million issue, maturing in July 2026; and two dollar ones, of $5 million and $17.7 million, maturing in July 2026 and April 2027 respectively. The coupons are 7.75%, 8.75%, and 8.5%.

MBC

In MBC, investors have the chance to engage with another thriving sector of the economy—the financing of the country's small businesses. MBC was formed 12 years ago as a microfinance organization by several former founders, executives, and shareholders of Basis Bank who brought to it a combination of banking and business experience.

In December 2024, it became Georgia's first microbank. Soon after, in February 2025, microfinance organisation Crystal also obtained a microbank license, expanding the nascent sector.

Key people and founders of MBC include its CEO Gia Petriashvili and Murman Ambroladze (both founders of Basis Bank). In its new form as a microbank, MBC's supervisory board is chaired by Murman Ambroladze. It is owned by 13 shareholders, the most significant of whom are Gia Petriashvili (31.8%) and Otar Rukhadze (14.4%).

With 17 service centers in Georgia, a loan portfolio of 119.5 million GEL, assets totaling 145 million GEL, and over 184,000 customers, MBC is now transitioning to a new phase of development. As its latest annual report states, despite the "challenging domestic environment," towards the end of 2024, the European rating agency Scope upgraded MBC's credit rating, confirming the company's stability and reliability. Preparing for the move to microbanking, the company invested to upgrade its IT sector and began the process of opening customer current accounts.

Transitioning to a microbank allows MBC to add to its product range by taking deposits and providing current accounts. As Scope points out in a report on Georgia's microbank sector, growth opportunities also come from the fact that, compared to microfinance institutions, microbanks can "grant larger loan tickets," that is, up to one million GEL. Scope's report on MBC says it had a market share of approx. 21% in the microbank niche segment as of September 2025.

The entry of microbanks is expected, Scope states, to "enhance financial-sector competitiveness, expand the range of product offerings and services," and by supporting entrepreneurs, help drive economic growth. It adds: "Assuming 20% annual growth in lending volumes, the sector could reach one billion GEL in 2026."

In May 2025, MBC announced GEL 21.3 million of two-year bonds, the variable interest rate set at TIBR 3M + 4.0%, with the Pension Fund of Georgia participating as one of the investors, marking its first-time purchase of microbank bonds. Then in October, MBC issued GEL 30 million in two-year public bonds, marking the second and final tranche of its bond program under the Enterprise Georgia Capital Market Support Program – this issue was oversubscribed, demand exceeding supply.

In addition to funding from the bonds, MBC has secured financing from Swiss market access platform Symbiotics and the European Fund for SouthEast Europe ($16 million) and the Armenian and South Caucasus bank Inecobank ($5 million).

Funding for smaller SMEs

Companies really at the small end of Georgia's corporate sectors currently obtain funding assistance via banking routes. They are targeted by a range of international assistance programs which largely funnel funding though the international development banks and then to local commercial banks. The EU is the largest foreign supporter of private sector development in Georgia through its extensive EU4Business program. This initiative provides funding, guarantees, and technical assistance in partnership with other IDBs and local financial institutions. For example, the EBRD partners with the EU on several programs, including the EU4Business-EBRD Credit Line and the Women in Business program. They provide loans and grants through local partner banks like TBC Bank, Bank of Georgia, Credo Bank, and others, as well as microfinance organizations.

However, work is being done on alternative financial platforms which could provide new avenues for SME finance. The National Bank of Georgia is focused on developing a national fintech strategy, and this includes supporting the licensing of digital banks and the potential for new online lending platforms and payment initiation services. Policymakers and industry stakeholders are discussing ways to foster equity financing options that are currently underdeveloped in Georgia. These include encouraging a more mature VC market to provide capital for innovative, high-growth potential businesses and exploring regulatory frameworks (such as regulatory sandboxes) to facilitate both equity-based and lending-based crowdfunding platforms. ■

Brewing beyond the cup:
how Georgia's coffee market is evolving

LANA KOKAIA

Coffee consumption has become an integral part of everyday life in Georgia. What was once largely a home-based, utilitarian habit has increasingly moved into public space, with coffee now consumed during work meetings, social gatherings, or as a brief pause in the day. This shift has reshaped the entire coffee ecosystem—from imports and roasting to café culture and branding—turning coffee into both an economic and cultural marker.

Against this backdrop, the recent announcement that Starbucks is entering the Georgian market has once again drawn attention to how far the sector has evolved over the past decade, and where it may be headed next.

Imports on the rise: volumes, value, and prices

Coffee imports to Georgia have grown sharply over the past decade. Data from the National Statistics Service of Georgia (Geostat) shows that in value terms, imports have increased by 254%, rising from $14.4 million to $51.1 million. Coffee's share in total imports in the first 11 months of 2025 was 56% higher than in 2016.

Recent data also points to rising prices. Between January and November 2025, Georgia imported 7,050 tons of coffee worth $51.1 million, compared to $39.3 million for a similar volume a year earlier. This suggests a sharp rise in average prices, despite a slight decline in imported quantities, which is being driven by a combination of global and local factors.

Tamar Chitaishvili is a marketing and project management consultant and former project manager of the Tbilisi Coffee Festival—an annual event that brings together coffee brands, distributors, equipment suppliers, and service providers in Georgia. She says that Georgia's import dynamics largely mirror broader global trends: supply shortages in major producing countries such as Vietnam and

Brazil, climate-related disruptions, higher logistics costs, and stricter European regulations have all contributed to rising raw material prices.

"Georgian coffee import data accurately reflects the global picture," says Chitaishvili. "Shortages in Vietnam and Brazil increased raw material prices, while European regulations and logistics added further costs. All of this was ultimately reflected in the record coffee prices we saw in Georgia in 2025."

Changing tastes and the growth of café culture

Beyond price inflation, rising imports point to a gradual shift in consumer preferences. Chief Operating Officer of Costa Coffee Georgia Elene Jgerenaia says demand is moving toward higher-quality beans and more consistent blends—a trend that has not gone unnoticed by international coffee brands.

UK-based multinational chain Costa Coffee entered the Georgian market a year ago "with the aim of bringing an international-standard coffee experience as close as possible to local consumers," Jgerenaia says. Only five months after the start of operations, the chain announced it was expanding and opening its first branch in Vake on Ilia Chavchavadze Avenue, "introducing customers to Costa's quality, fast service, and comfortable environment." The chain currently operates three locations in Tbilisi.

While the growing interest of multinational chains signals the maturation of Georgia's coffee market, the real engine of this transformation started with local specialty cafés. Independent cafés and roasters such as Coffee Lab (opened in 2016) and Shavi Coffee Roasters (opened in 2021) have played a crucial role in reshaping coffee culture by educating consumers about bean origins, roast profiles, and brewing methods—turning coffee drinking into a more conscious and increasingly social experience.

This growing emphasis on quality and education is also reflected in the rise of industry events. Launched in 2023, the Tbilisi Coffee Festival has grown rapidly, becoming a key platform for showcasing Georgia's evolving coffee scene. By its third edition in 2025, the exhibition hosted around 50 participating companies and attracted approximately 5,000 visitors, alongside master classes, panel discussions, and interactive programming that connect professionals and consumers alike.

As interest in specialty coffee has expanded beyond cafés and festivals, the same shift is increasingly visible in retail and distribution channels. Founder of Coffeehub.ge Nika Begiashvili says he has witnessed first-hand how demand and consumer choice have expanded over the past six years.

GEORGIA'S COFFEE IMPORTS

Over the past decade, Georgia has sourced coffee from between 31 and 38 countries. In 2025, Indonesia remained the largest supplier, accounting for nearly 29% of total import value, followed by Russia, Vietnam, Italy, and Germany—reflecting a mix of producing countries and European re-exporters.

"When I worked as a digital sales manager in a coffee company, I saw how quickly demand and variety were growing," he says. "Many brands were not represented in retail, and it was difficult for consumers to access them." In response, he created Coffeehub.ge, an online platform that brings together local and international coffee brands and presents them to consumers in one place, to better "unite the coffee available on the market."

Industrial roasting: big ambitions, thin margins

Despite growing consumption, rising imports, and the popularity of small specialty coffee roasters, building a viable industrial coffee production business in Georgia remains a challenge. Financial data from the country's main large-scale producers suggests that local industrial roasting is a difficult—and often unprofitable—segment in a small and price-sensitive market.

A FinSpot analysis published in July 2025 examined three of the largest companies—Meama, Mondo, and Cherie—and found that Georgia's two pure-play producers, Meama and Cherie, are currently operating at a loss.

Meama, the country's largest coffee producer, continues to operate despite losses through significant capital injec- ▸▸

GLOBAL TRENDS AND THE GEN Z FACTOR

Global consumption trends are also shaping Georgia's coffee market. Large producers worldwide are increasingly targeting Gen Z consumers, who already account for around 30% of the global population and whose purchasing power continues to grow.

Research suggests that Gen Z consumers tend to prefer specialty coffee over instant options, place a strong emphasis on sustainability, and are drawn to ready-to-drink and iced coffee formats. In response, major capsule producers such as Nespresso and Keurig are investing heavily in recyclable packaging and new product lines.

tions from its owners, with total investment exceeding ₾100 million.

By contrast, Mondo is the only company among the three that has remained consistently profitable, likely due to higher-margin sales of imported coffee and equipment rather than local production.

Starbucks, Costa, and the future of coffee competition in Georgia

In early December 2025, Georgian media reported that Starbucks would enter the local market, with its first branch expected to open in March 2026 in Tbilisi's Vake district. According to *BMG*, the brand will operate under a franchise agreement with the Arab Alshaya Group, with operations in Georgia managed by the group's Turkish office.

The arrival of multinational chains such as Costa Coffee—and now Starbucks—marks a new phase for the Georgian coffee market. Sector experts expect the impact to be mixed but largely transformative.

On the one hand, the presence of global brands is expected to intensify competition, encourage greater investment in marketing and personalization, and raise overall service standards. On the other hand, Starbucks is likely to accelerate the premiumization of coffee consumption.

"Starbucks doesn't sell the best coffee—it sells status, environment, and stability," says Tamar Chitaishvili. "The cafés most at risk are those in the middle: neither true specialty cafés nor strong brands. The main beneficiaries could be local artisan cafés. A customer who learns to drink coffee at Starbucks will eventually demand higher quality and move on to smaller, quality-oriented places."

Founder of the Tbilisi Coffee Festival and Coffee Academy Mikheil Parulava agrees that Starbucks' entry is unlikely to bankrupt existing players. Instead, he believes it will expand the market and deepen specialization.

"It may have a positive effect on the coffee shop business as a whole," Parulava says. "The main challenge will be pricing. Starbucks is often positioned higher than McDonald's or Dunkin, and Georgia is very price sensitive. The key question is how the company will sustain operations after the initial excitement fades."

While challenges remain—particularly around profitability and price sensitivity—the sector's rapid evolution over the past decade suggests that coffee will continue to play an increasingly important economic and cultural role in Georgia. ■

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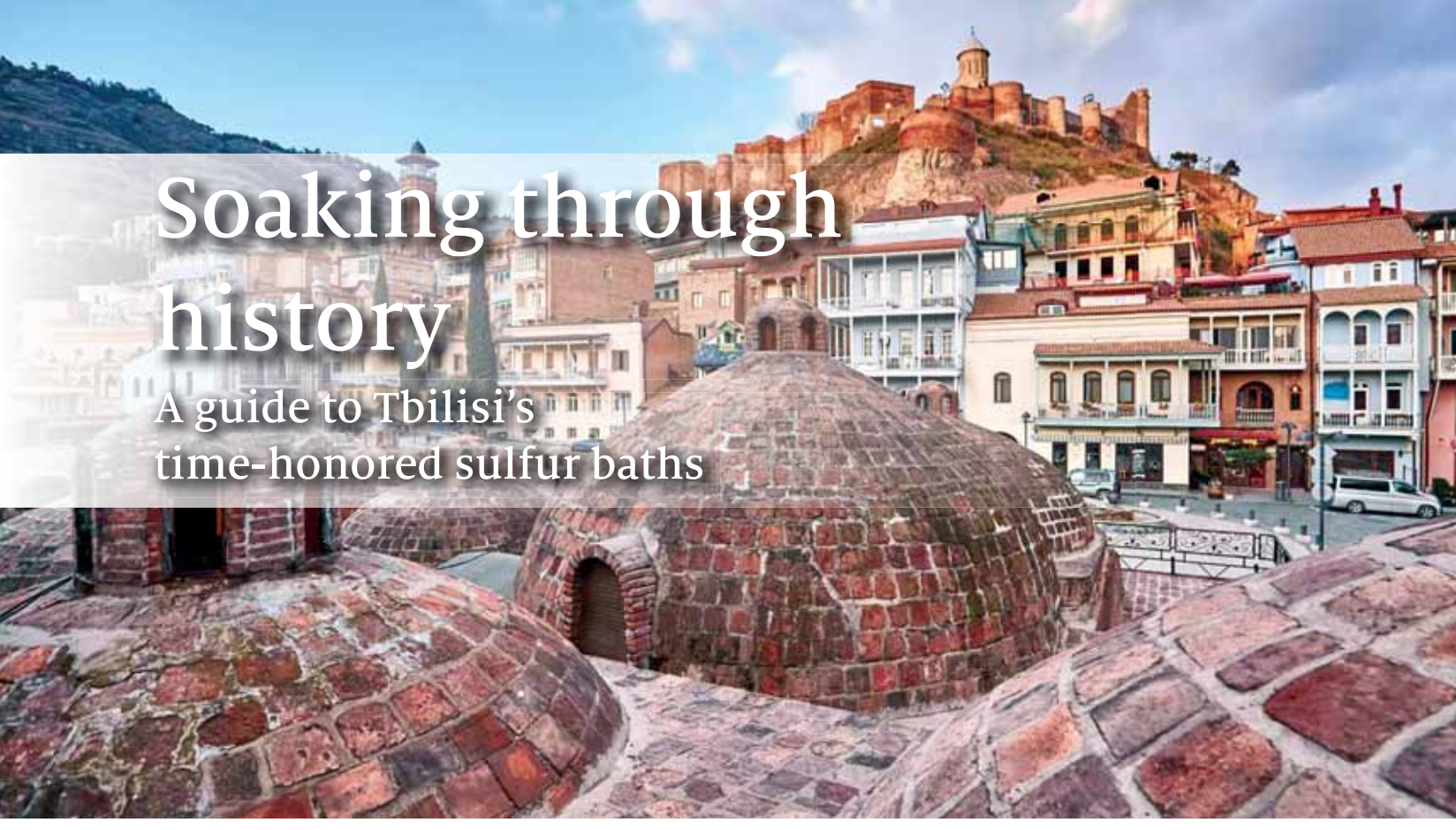

Soaking through history

A guide to Tbilisi's time-honored sulfur baths

ELIZABETH LAVIS

During the frostiest winter days, Tbilisi has the cure for what ails you, whether it be a hearty, hot bowl of homemade *kharcho* or a spice-scented cup of glintwine in a cozy basement bar. Still, nothing quite restores the soul and pampers the skin like a steaming sulfur bath.

Tbilisi's original sulfur baths date back to the 5th century, with the legendary story of King Vakhtang, who allegedly stumbled upon them when his falcon fell into a hot spring. The tragic end for King Vakhtang's falcon was the glorious beginning of Tbilisi, named after the Georgian word *tbili* for "warm." For centuries, the baths acted as a cultural and historical meeting point for locals and visitors, including merchants from Armenia and Persia who would often conduct business deals while basking in the healing waters. Luminaries like Alexandre Dumas and Anton Chekhov spent time at the sulfur baths, and Alexander Pushkin sang their praises in his poetry.

Bathhouses like Chreli Abano and King Erekle's Sulfur Bath date back to the 17th century, so you're quite literally immersing yourself in history when you visit. Gulo's Thermal Spa, Royal Bath-House, and Sulphur Bathhouse No. 5 are all from the 19th century, and Bohema Sulfur Bath hails from the late 19th century to early 20th century. Each bathhouse has a rich history, gorgeous interior, and the therapeutic waters that have lured locals and passersby alike inside for countless years.

Visit Abantubani, Tbilisi's famed bath district in the heart of Old Town, and you'll find rows of bricked domes and a colorful, mosque-like building at the very end of the street. You've arrived at the soothing epicenter of Tbilisi's best sulfur spas.

WHAT IS A KISI SCRUB?

A kisi scrub is a traditional exfoliation treatment associated with Tbilisi's sulfur bathhouses. Performed by an experienced attendant (*mekise*) after soaking in the warm sulfur water, the treatment involves a vigorous full-body scrub using a coarse mitt to remove dead skin and stimulate circulation. The process is brief but intensive, typically followed by a rinse and, in some cases, a soapy foam wash. Long embedded in local bathing culture, the kisi scrub is considered an essential part of the classic Abanotubani bathhouse experience, leaving the skin noticeably smoother and refreshed.

Chreli Abano

You can't miss Chreli Abano, also known as Orbeliani Baths. It's the brightly colored, sparkling building at the very end of Abano Street and the perfect high-end option for your luxurious spa day. This place is hopping, especially when the mercury dips low, so make your reservation in advance. You have your pick of several private rooms (there are no public baths), many of which include a sauna, cold plunge pool, shower and lounge area, bathroom, and steaming sulfur bath. Order a kisi scrub for 30 lari and have it right in the room, or choose from any number of additional spa services, like chocolate massages in their dedicated spa area. Chreli Abano is a one-stop shop, with a full menu of food, wine, and tea for an additional charge.

Gulo's Thermal Spa

Gulo's Thermal Spa is right off the strip, with a large parking lot and a super-friendly resident street dog that will immediately lift your spirits the moment you step inside. Rooms start at 150 GEL, and kisi scrubs are 20 lari, and you'll find nice amenities like cold plunge pools, saunas, and beautifully tiled sulfur baths. One of the key factors that sets Gulo's apart from the rest is the ambiance, which strikes a pleasant balance between modernity and traditional design, with intricate tile patterns and tastefully laid out rooms.

Sulphur Bathhouse №5

Sulphur Bathhouse №5 is a personal favorite because I always have a consistently good experience. The kisi scrubs are fantastic, and you can choose between reasonably priced private rooms or the public bath experience. There's a cooler full of beer, water, and lemonade as soon as you walk in, and you can also order tea with jam, which goes swimmingly with your hot bath—pun intended! Like Gulo's Thermal Spa, the rooms here are full of fascinating tile patterns and artfully laid out relaxation areas, and it's right on the main drag.

Bohema Sulfur Bath

If you're in the mood for a romantic soak, Bohema Sulfur Bath is an inspired choice with fabulous tea service for ten lari and private rooms with charming artwork. Bohema's claim to fame is that it's the oldest bathhouse in the district, dating back to the 17th century. Like others in the area, you can get a kisi massage. You can also get face and body treatments and Swedish massages. Bohema's staff generally speak English and are polite and knowledgeable about what services they have on offer.

Royal Bath-House

Royal Bath-House is set back a bit from the road, so you could easily miss it. It's worth looking for, though. This bathhouse has a charming, off-the-wall design, including a suit of armor that greets you as you descend into the reception area. There are no public baths here, but there are different private rooms, including one that can fit up to six people. Inside, you'll find lovely stonework, traditional domes, and amenities like cold bucket showers, saunas, and, of course, deep sulfur baths that will take the chill off a cold February day.

King Erekle's Sulfur Bath

King Erekle's Sulfur Bath offers a more modern twist on the time-honored soak with more minimalist rooms ideal for gentle relaxation in a luxury setting. You'll only find private rooms at this spot, and it's a bit higher-priced than other options in the area, but the rooms are worth the splurge. In addition to the pleasant decor, you'll find all the amenities you expect, like cold plunge pools and large sulfur baths in the rooms.

Notable mentions outside Abantubani

Most of the baths are in the Abantubani district, but there are a few notable ones outside the district. Lisi Bath is a public and private option right near Lisi Lake in the city's Saburtalo district. It offers a modern and economical experience, and its proximity to nature makes it an excellent choice for a post-hike treat.

Kyiv Sulfur Spa is just a few kilometers from Abantubani, with tiled private rooms, cold bucket showers, saunas, and sulfur baths. Their tea service is exceptional.

TOP TIPS FOR A SMOOTH EXPERIENCE

These tips will help enhance your experience, smooth over any hiccups, and prepare you for a restorative and unique experience during your time in Tbilisi.

- You'll need cash for your Kisi treatment, paying the attendant directly after the scrub.
- Book in advance on weekends, especially at popular spots like Chreli Abano.
- Bring your towel or be prepared to pay extra lari to rent on-site.
- People bathe nude in the public baths. While you can wear a suit if you so choose, prepare to see a lot of nudity.
- Avoid taking photos of bath attendants or in public spaces.
- Bring non-skid flip-flops for slippery floors.

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When the milk runs dry

Georgia's cheese sector has a dairy problem

Georgia's cheese market is expanding in value and variety, yet the raw milk supply that underpins it is steadily eroding. As local production falters, rising imports and structural weaknesses are reshaping one of the country's most traditional food sectors.

SALLY WHITE

Georgia's cheese market is showing disturbing trends. Despite rising demand, the rediscovery of traditional varieties, and the central importance of cheese in Georgia's cuisine and culture, local production is failing. Georgian farms cannot meet demand and cheese, butter, and milk have joined Georgia's fast growing agricultural imports. The cause is a decline in local milk production.

While a seasonal winter fall in milk supply usually brings higher prices for cheese at this time of year, the trend in the underlying deterioration in the milk supply could make this year's rise sharp. One Kakheti dairy company, Marita, reported that milk shortages had already pushed up its prices by 1-2 GEL in November, and thought that further rises were inevitable. "We are trying to balance costs so that the products remain affordable for the consumer, but it does not depend only on us," Keti Bolkvadze, the company's co-founder, told BMGTV in December.

Demand is booming—but milk is disappearing

Georgia's shrinking milk production, as the population abandons livestock farming, was described in the same program by Nona Ansiani, founder of Kvemo Kartli raw milk processing enterprise Shvanre: "The production of raw materials in our region is decreasing year by year. People see they cannot make a profit in this area, so they slaughter or sell their cattle. This has led to a very large shortage of milk." She adds that she foresees that the country will "become increasingly dependent on imports."

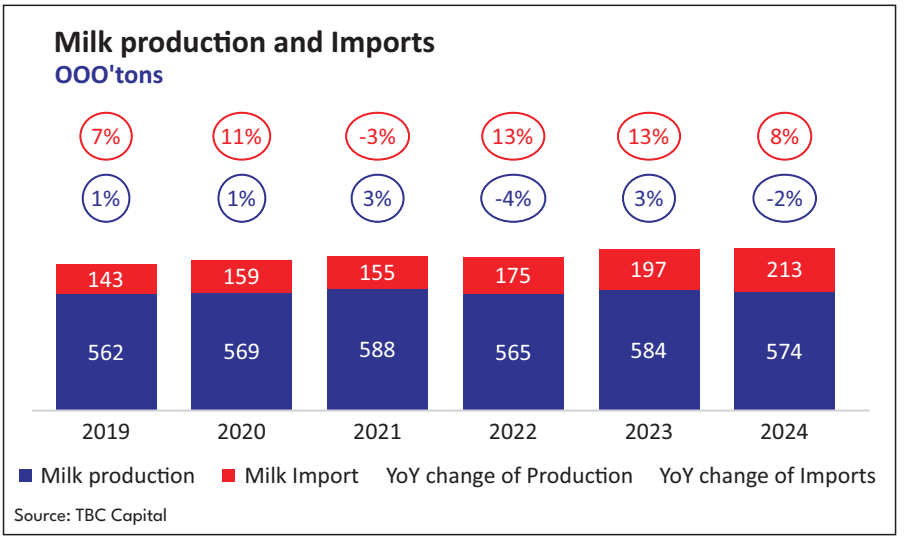
Efforts are being made to avoid that. Some government and international support is going to the sector. Plus, efforts to raise the status of Georgian cheeses and their prices in order to make dairy farming more attractive to farmers are increasing, creating premium and export markets.

There are now regional and Tbilisi cheese festivals, there is a digital and physical tourism trail connecting artisanal cheese producers across Georgia—https://cheeseroute.net—emulating the Wine Route. There are sites and maps for gourmet tourism. A Georgian Cheese Makers' Association has been working to revive and promote Georgia's rich cheese heritage. Education is pushing to enact the quality standards that are necessary for many export markets. But, all this has failed to stop the threat to Georgian cheese production.

Nikoloz Beniaidze, founder of the dairy producer Shiraki explained to *BM.ge* that last summer's drought had been a major contributor to the current shortage: "...prices are still exceptionally high compared to previous years... because in summer, there were droughts in Kakheti and Kvemo Kartli for three

months, there was no grass, therefore, the amount of raw milk decreased. Milk production is greatly reduced." Plus, he added, farmers' inputs were escalating each year. So "the number of dairy cattle decreases every year. Industrial farms are also not growing and new farms are not opening in the country."

Demand for cheese is certainly not the problem, the Georgian cheese market is actually gaining in overall value and range and is now valued at $190 million. A report from Georgia's Business and Technical University (BTU) points out that international research groups, such as Euromonitor and Strategy Helix, are forecasting strong growth in demand, with an annual increase of 7-8% a year. Statista has an even higher figure, at nearly 9%. Adding to the normal demand for traditional cheeses, the variety of artisanal and gourmet cheeses available is exciting, particularly for goat cheeses and ancient regional cheeses. Demand is also being created as products with cheese ingredients—like pizza—are becoming increasingly popular consumer choices.



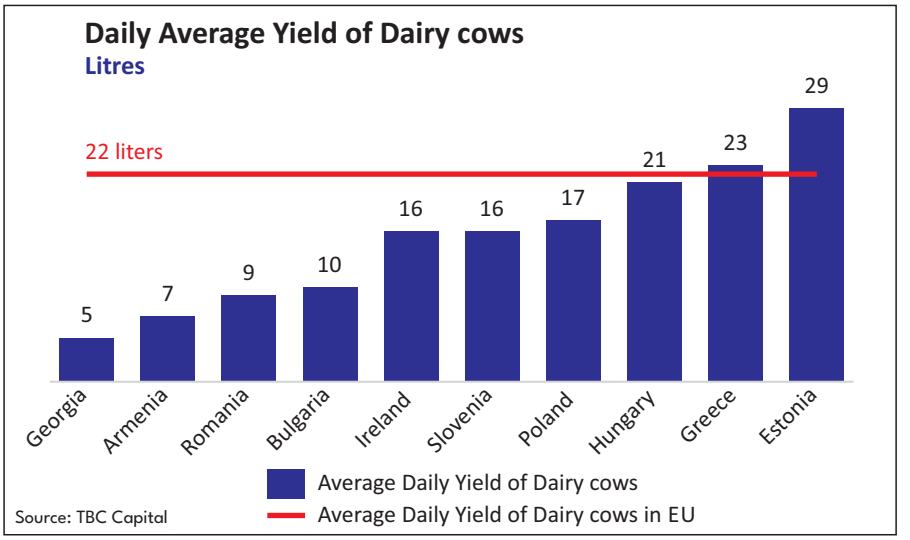
Why farmers are exiting dairy

Georgia's raw milk production is falling because the national dairy herd is shrinking, skilled labor is in short supply, and costs of production are rising all the time. In 2024, annual milk production was down 2.3% on 2023, at 570.7 million liters. Production in 2025 dropped 3% in the first quarter, to around 108 million liters. The number of dairy cows also fell to 396,000, a decline of 20,000 head compared to the previous year. By Q3 2025, milk production was down 9.1% and cow numbers by 5.2% compared to the same time in 2024.

This signals that there is increasing economic pressure on small farmers, many of whom struggle to modernize or maintain production, according to Geostat. There have been many rising costs. Apart from the expense of feed and labor, prices for equipment have increased, making dairy farming less profitable. Lack of investment, according to a recent TBC Capital report, has left Georgia's average milk yield at only 4.7 liters per cow, compared with the European Union average of 22 liters, highlighting extremely low productivity in the domestic dairy sector. Raw milk imports have risen, growing by 45% in the first ten months of 2025 compared to the same time in 2024. Milk powder imports have reached their highest level ever, says the report, rising from about 8,000 tons in 2019 to 11,600 in the first 10 months of 2025.

Given the strength of the meat export market, and the lack of profit in dairy, 2025 saw, not surprisingly, an increase in the export of live cattle, further impacting the number of milk-producing animals. According to Geostat, 21,300 head of cattle were exported in Q1 2025—nearly three times more than the same period last year.

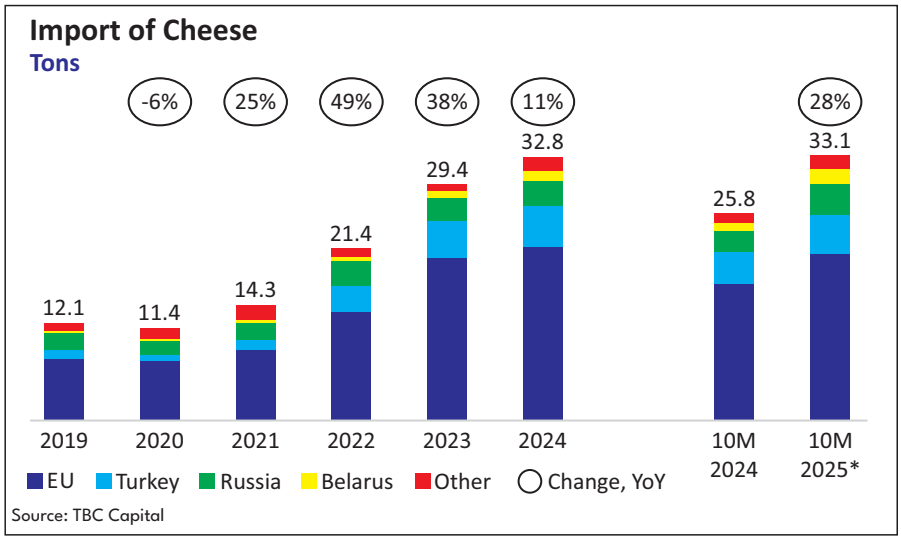
These cattle may not be replaced—not by imports, anyway. In Q1 2025, only 2,700 head of cattle were imported, compared to 7,500 for Q1 2024. This, says BTU, implies that either local supplies are sufficient or that the cost of importing has increased sufficiently "to push the market towards an export-orientated strategy." Chairman the Association of Commercial Milk Producers Nikoloz Be-



niaidze told *Commersant* that the price of high-yielding cows has risen from around €2,000 to over €3,000.

Imports fill the gap, at a cost

To fill the cheese supply-demand gap, Georgia imported $33 million worth of cheese and cottage cheese in January-October 2025, a rise of 28.1% on 2024, states Geostat. From January to July 2025, the country imported about 11,100 tons of milk and cream worth $12.4 million, again according to Geostat, which is a sharp rise of 28% from the 7,500 tons worth $8.9 million during the same period in 2024. Most of the imports originated from neighboring Azerbaijan, followed by Poland, Russia, and France.



Other suppliers included Belarus, Turkey, Germany, Italy, Ukraine, and Iran.

Exacerbating the problems for Georgian dairy farmers, according to Nona Ansiani, is that "products made from raw milk and powder have almost the same

ARTISAN CHEESE FINDS ITS AUDIENCE

Travel agencies are helping promote cheeses from family farms, their websites carrying descriptions of the delights of the rarer regional goat and sheep cheeses that can be found, particularly in the mountain regions. For example, the Tusheti Gudi Cheese Festival is held in October in Kvemo Alvani in Kakheti, where many Tush families spend winter. Gudi (or Guda) cheese is a traditional, ancient tangy, salty Georgian cheese, made from milk from cows or sheep grazed on the region's mountainous pastures and aged in sheepskin (guda) bags.

Also from Tusheti comes Kalti, a hard, aged cheese made mainly from sheep's milk. After pressing and salting, Kalti cheese is stored in special drying rooms for a long period. The flavor is rich and salty, with a sharp bite—much stronger than Georgia's fresh cheeses. As described in the project "Identification of Typical Georgian food/terroir products," funded by the Czech Republic, historically, its long shelf life made Kalti a favorite for shepherds and travelers in chilly climates.

Georgia Travel says the country has "around 60 types of unique cheeses that are unlike one another, such as Imeruli, Sulguni, Narchvi, Chogi, Kalti, Kobi, Chechili, Guda, Dambalkhacho, Meskhetian Tenili, Kazla, and more. They are all a significant part of the Georgian way of life." However, there is great concern that the number of producers is declining.

According to Ana Mikadze-Chikvaidze—founder of the Georgian Cheese Association who now runs her own cheese farm Teleti, near Tbilisi—it is impossible to name the exact number of cheese varieties: "It could be anywhere from 80 up to 150 or more. I have personally found 32 varieties that would have been lost and done with, had I not found them". According to Ana, many cheeses were lost in the industrialization of farming in the Soviet Era. Today, Teleti produces 53 lines—from semi-soft varieties, like Sulguni, to hard ones.

The proliferation of artisan and traditional producers is encouraging the opening of specialist shops selling a wide range of premium quality cow and goat cheeses. This is further helped by the forming by some farmers of co-operatives, which increases availability; Alaznistavi in Tusheti and Derzeli in Samtskhe-Javakheti are two. In addition, to widen the range that they are offering, a number of artisan farmers are also producing European style cheeses. In Tbilisi, specialist cheese shops include the Cheese House on Vake's Abashidze, Aria on Abashidze and on Vera's Erekle Tatishvili Street, Bagrati on the Embankment near the Dry Bridge, Mongiri on Amagleba, Au Blé d'or on Zandukeli St, and Milk Laboratory on Vazha-Pshavela.

price on the market." While world prices for milk powder have been falling, farming costs in Georgia have been rising.

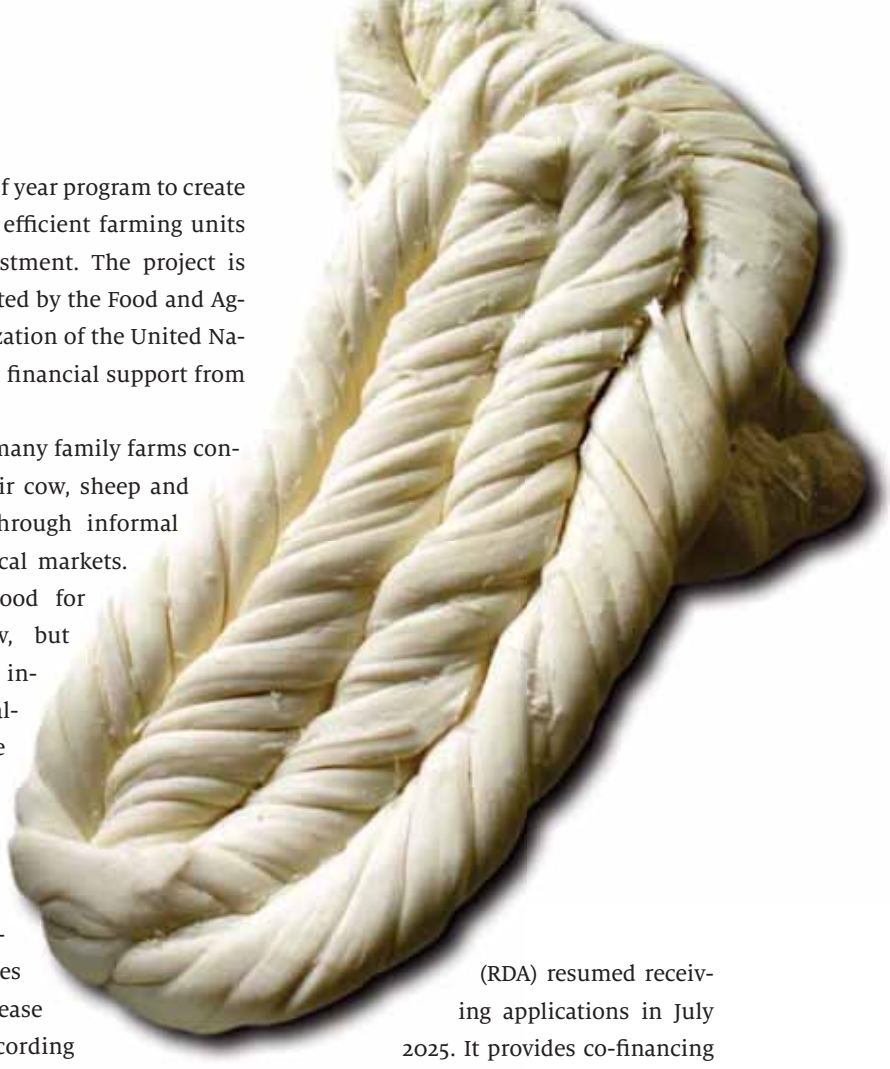
Imported milk powder from countries where there is overproduction of milk can be priced at very low levels. "...Cheap powdered milk is imported at dumping prices," maintains Nikoloz Beniaidze.

Registered dairies in Georgia have struggled to compete with the black market of unregistered producers who use cheap imported milk powder. This also suppresses the market for authentic, locally-produced raw milk. In 2024, Georgia imported over 10,000 tons of powdered milk, an 8% increase YoY. Key suppliers include Belarus, Iran, Russia, the Netherlands, and Germany. But, illustrating the competitive price of imported milk powder, despite the increased volume, the total value of imports dropped by 6%, totaling $23 million, due to lower global prices, according to Geostat.

This farming crisis is by no means a new one. Given the importance of agriculture in the economy, the state of Georgia's farms has been a source of concern ever since the country's independence. There are many long-standing and well-documented challenges that have been contributing to the low productivity of Georgian dairy farming, including small-scale, non-intensive farm operations, inadequate feeding practices, and poor veterinary care. A large number of Georgian government and international programs have been conducted to address the problems and have shown mixed but generally positive results, focusing on modernizing the sector through strategies like the EU-backed ENPARD and FAO/UNDP and USAID support. However, many hurdles persist in the form of rural poverty, low productivity, market access, land degradation, and climate change.

The latest government measure addresses the need to consolidate the highly fragmented farm structure, with a three-and-a half year program to create larger and more efficient farming units and attract investment. The project is being implemented by the Food and Agriculture Organization of the United Nations (FAO), with financial support from the World Bank.

Meanwhile, many family farms continue to sell their cow, sheep and goats cheeses through informal channels like local markets. This may be good for local cash flow, but this can lead to inconsistent quality and hygiene standards, and make it difficult to track production volumes and sales. However, the cheeses continue to please consumers. According to a report from the International School of Economics at TSU several years ago, up to 90% of Georgian cheese was being produced by unregistered producers, and it stated that this was "not surprising because according to Geostat, more than 97% of milk in Georgia in 2017 was produced by family farms."



However, there are a number of large-scale Georgian cheese producers, even if they collect their milk from family farms. They include Sante GMT Products, Shiraqi, Georgian Dairy Products, Blauenstein Georgia, Natural Producktsai, and Wimm-Bill-Dann Georgia. Several of these also feature among the major importers.

Currently, fresh efforts to increase milk production are being attempted, through modernization grants, low-interest financing, and the introduction of higher-yielding cattle breeds. For its Dairy Modernization and Market Access program, the Rural Development Agency (RDA) resumed receiving applications in July 2025. It provides co-financing for: construction and equipment, building animal stalls and acquiring small equipment necessary for farm arrangement; and sustainability, with funding available for solar power plants (2–4 kW).

In early 2025, the government increased the limit for seven-year dairy farming loans to 10 million GEL, with the state subsidizing a portion of the interest. And there is international support. The United Nations' International Fund for Agriculture Development's $16 million dairy farming program continues to support small and medium-scale producers in regions like Imereti and Samegrelo-Zemo Svaneti, targeting improvements in artificial insemination and milk collection.

Further solutions are being tried, aimed at trying to make small farms more efficient. However, despite the initiatives enacted to date, the figures from 2025 showing an escalating decrease in milk production are hardly encouraging for Georgia's cheese producers. ■

TBC CAPITAL

Global recalibration, local resilience: what 2026 holds for Georgia's economy

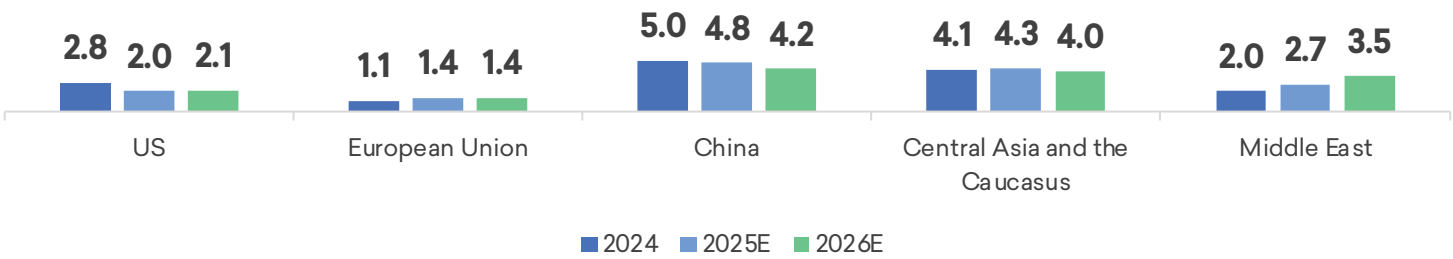
www.tbccapital.ge

After years of global volatility, 2025 proved more resilient than anticipated. TBC Capital forecasts that 2026 will bring slower but more sustainable growth, easing inflation, and gradual monetary policy normalization worldwide, as Georgia shifts from exceptional post-pandemic expansion toward a more balanced growth trajectory.

Global trends

Global economic growth is set to normalize in 2026 following a stronger-than-anticipated 2025. Growth in the United States, the European Union, and China is projected to moderate, while Central Asia and the Caucasus and the Middle East continue to demonstrate relatively stronger growth dynamics.

GDP growth



Inflation trends are moving downward. In both the U.S. and the EU, inflation is normalizing as elevated policy rates have achieved their intended effect, while dynamics remain more uneven across emerging regions. As price pressures ease, central banks across developed markets are entering a phase of monetary policy easing. TBC Capital anticipates rate cuts across major economies through 2026, marking a shift after an extended post-COVID tightening cycle.

Energy markets are also undergoing a structural shift. After several years of tight conditions, the oil market is likely to move into a supply-led environment in 2026, with projected net supply growth of 2.5–3.0 million barrels per day. As a result, oil prices are forecast to remain capped throughout the year, despite continued sanctions on Russian exports.

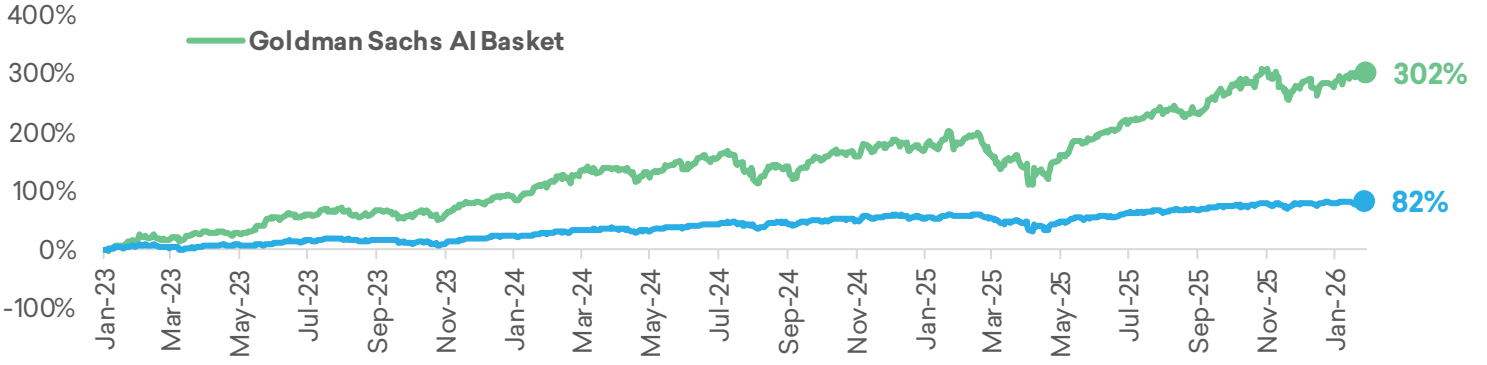
Reflecting on the global outlook, TBC Capital's Senior Analyst of Global Capital Markets Rati Tsiklauri notes that 2026 is likely to be defined less by acceleration and more by normalization. "After the strong overperformance of 2025, 2026 is really about normalization—growth will continue, but at a more measured and sustainable pace," he says. "In the United States, we still see positive economic growth in 2026, supported partly by the ongoing AI investment cycle and large-scale capital expenditures."

Tsiklauri also points to growing divergence across regions, with uneven growth in Europe, improving domestic focus in China, and selective strength across emerging markets.

Beyond cyclical trends, structural forces continue to reshape the global economy. Trade regimes are fragmenting, with U.S. tariffs imposed across a wide range of goods and industries, while efforts to resolve the Russia–Ukraine war could have far-reaching implications for global markets. At the same time, artificial intelligence remains a dominant investment theme. Since the start of the AI boom in late 2022, Goldman Sachs' AI-focused equity basket has tripled in size, supported by rising capital expenditures and expectations of potential 20–30% productivity gains over the medium term.

SPONSORED CONTENT

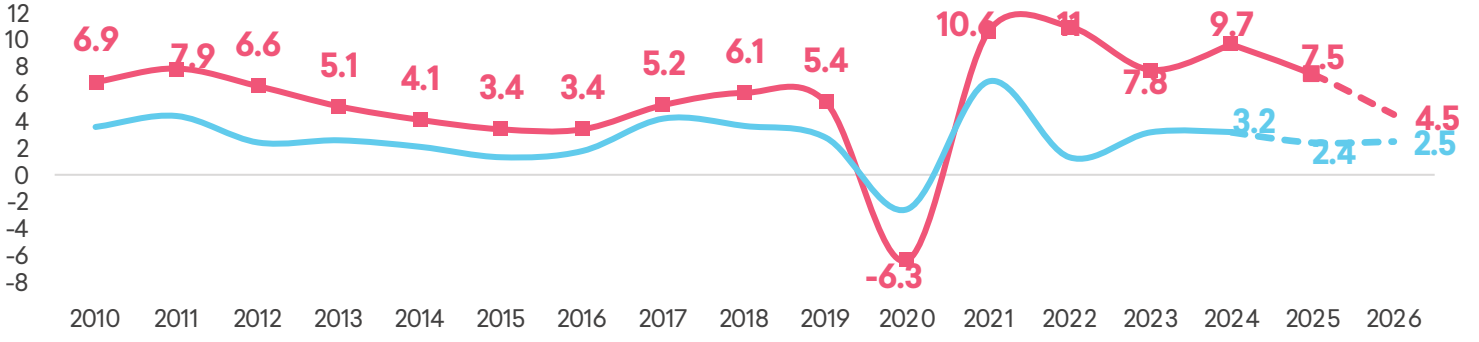
AI market performance and investment



Georgia: Growth moderates, but outperformance remains

Against this global backdrop, Georgia's economic outlook for 2026 remains favorable. After recording 7.5% GDP growth in 2025, economic expansion is projected to moderate to 4.5% in 2026, while still outperforming most peer economies.

Georgia vs peer economies – GDP growth



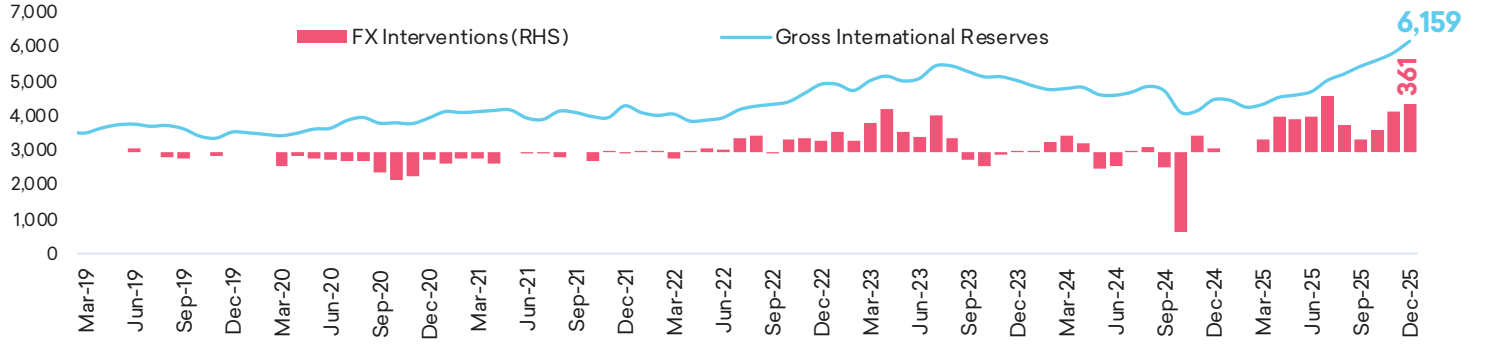
Consumption has been the dominant driver of growth in recent years and is set to remain the primary contributor in 2026. Inflation accelerated in 2025, driven primarily by higher food prices. End-period inflation reached 4.0% in 2025 and is forecasted to slow toward around 3.5% by the end of 2026, moving closer to the National Bank of Georgia's target. Monetary policy is likely to remain cautious, with the policy rate projected to decline from 8% at end-2025 to 7.5% by end-2026.

Exchange rate stability and external buffers

The lari is likely to weaken only marginally against the U.S. dollar in 2026, supported by an improved external balance, a real effective exchange rate below its long-term trend, and stable monetary conditions.

Foreign exchange reserves will provide an additional buffer. In 2025, the National Bank of Georgia purchased nearly $2.5 billion on the FX market, lifting gross international reserves to a historically high $6.2 billion by the end of December.

FX interventions and international reserves



Georgia's ICT sector after the surge:

growth, risks, and the skills gap

SALLY WHITE

Georgia's ICT Association has announced encouraging news. Contrary to fears that Georgia's largely migrant IT workforce might prove temporary and leave the sector exposed, the IT industry is showing strong organic growth. The first three-quarters of 2025 recorded foreign income of $791 million, a 66% increase on a year earlier, and higher than the whole of 2024.

"This will not only be the effect of migrants, but also the stabilization and natural growth of the sector," Tornike Sulaberidze, chairman of the supervisory board of the ICT Association, told *BM.ge*. The gain reversed a dip in 2024, when the market had become saturated, and reflected an increase in services and the exports of IT companies that have moved to Georgia.

ICT (Information and Communication Technology) has for the last three years been described as the most dynamic driver of the country's growth, so growth is vital. In 2025, ICT attracted global business, employed over 50,000 in 24,265 registered IT companies, chipped in 8.2% of nominal GDP with 7 billion GEL of turnover, and had exports of $898 million (up 53%) in the first nine months alone.

However, Georgia's ICT sector is very international with a global client list, and thus exposed to all the hazards of tech's evolution worldwide. Questions are repeatedly posed on how long Georgia's growth can continue, especially as the key IT workforce and companies are heavily foreign. According to the latest report on the industry, the pace can only be maintained if the country upskills its home-grown talent and expedites improvement in its telecommunications infrastructure, which lags regional peers.

Investment bankers Galt & Taggart stated in December that: "Overall, sustaining IT sector growth will require deeper workforce specialization, accelerated upskilling, and continued infrastructure improvement to boost ICT exports and drive long-term economic transformation."

Startup activity accelerates

The IT startup scene in Georgia is attracting international attention in particular this year, as it rapidly develops as a regional hub, driven by unprecedented government tax incentives, strong international accelerator partnerships, and a focus on high-impact tech sectors like AI and fintech. Government funded drivers range from grants from the Georgian Innovation and Technology Agency, to plans for a dedicated "StartUP in Georgia" digital platform, and an International Innovation Hub in San Francisco to position Georgian startups on the global stage.

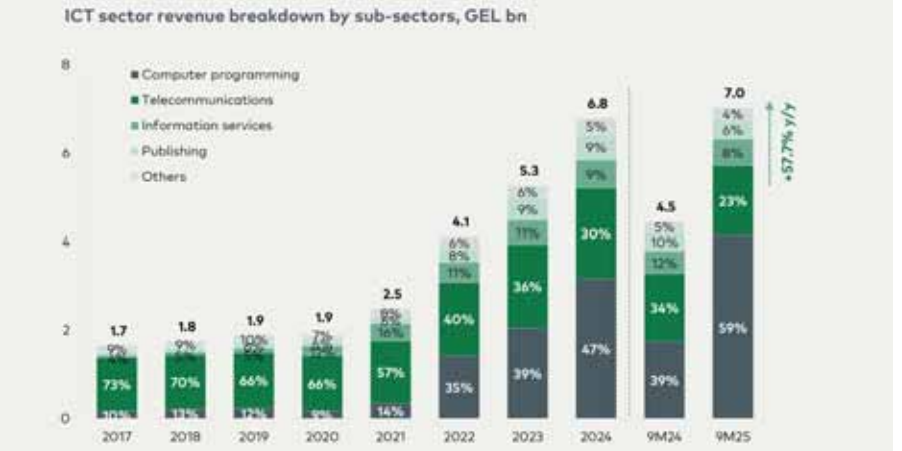
Four major international accelerators—Plug and Play, 500 Global, Founder Institute, and Startupbootcamp—are now actively running Georgian programs for up to 160 startups for funding and networking. These give access to global networks, mentorship, and significant follow-on investment opportunities.

Fintech remains the country's strongest startup sector, bolstered by a record $180 million in VC funding in 2024 and 2025. Emerging sectors for 2026 include AI-driven logistics, Web3, and iGaming. Government strategy is to boost the tech sector by focusing on strengthening local tech hubs (like the one in Kutaisi with AI and TUMO centers), and fostering Agritech. These companies leverage IT solutions such as AI, IoT, robotics, and data analytics to improve farming efficiency, yield, and sustainability.

ICT sector by the numbers

Georgia's ICT community is, in fact, larger than indicated by the numbers above, especially in IT. The registered ICT industry is dominated by computer programming and IT services, which by late 2025 account for about 59% of total sector revenue. This is also the fastest-growing segment and is largely export-oriented, with the United States and Europe as its main markets. Telecommunications, once the largest part of the industry, now make up roughly 23% of ICT revenue. Key developments in 2025 include record levels of mobile service spending and the continued rollout of 5G and gigabit LTE networks. Information services contribute around 8% of total revenue and remain an important area for diversification, while software publishing—including both software and book publishing—maintains a stable share of about 6% of overall ICT turnover.

There are far more with IT skills than just those working in registered IT companies – Microsoft-owned GitHub, the web-based platform for hosting, managing, and collaborating on software projects, is said in the industry to host around 7,644 Georgian organisations and 140,000 Georgia-based users. This number could include Georgian students (12,000 IT students are enrolled at 21 universities), hobbyists, and workers in firms not classified as ICT, such as bank-



Source: Galt & Taggart

ing, retail, or government. It highlights the extent of participation in international projects and visibility to global employers of Georgia's IT talent.

This reflects fast growth for a fairly new industry. The first boost for the Georgian ICT industry came in 2020 with the government introduction of generous tax incentives, enticing international companies and IT specialists to relocate to Georgia. That was followed two years later, after the Russian invasion of Ukraine, when IT professionals from Russia, Ukraine, and Belarus took refuge in Georgia, providing a second boost and bringing skills as well as their businesses.

Skills and infrastructure gaps

The 2022 wave of migrants created a potential challenge as well as a bonus as relocated international professionals comprise roughly 93% of IT service providers as of 2025, according to Galt & Taggart. And a report last July from Georgian NGO the Institute for Development of Freedom of Information found that 56% of Georgia's IT companies were Russian. These professionals could relocate again, working remotely and as freelancers, as many do. So, Georgia's ICT industry is vulnerable, lacking sufficient home-grown professionals with the wide experience to match that to be found among the waves of migrants.

While high-for-Georgia average salaries in the IT sector (at 6,911 GEL a month according to Galt & Taggart, twice that in the business sector) and attractive career prospects have made computer programming a popular career choice, local graduates face international competition and lack experience. At the same time, AI adoption and automation have reduced entry-level labor demand. Plus, says Galt & Taggart, "Many graduates enter the market with theoretical IT skills, while employers increasingly demand specialist job-ready competencies (e.g. cloud, AI/ML cybersecurity, DevOps)."

IT services exports from Georgia are impressive, showing the far-reaching international profile of the clients, and thus their ability to recruit globally. In 2025, 26% of IT service exports went to the US, followed by 10% to the UK, and 8% each to Malta and Germany. Major exporters include:

Enterprise Solutions & ERP: Companies like LeverX (USA-based) operate in Tbilisi as global system integrators for SAP implementation and customization.

Fintech & Trading Platforms: Firms such as Devexperts (Germany) develop trading platforms and brokerage automation for the global fintech industry.

Cloud & Communication: France-based Ringover.

iGaming: SOFTSWISS and Singular Group utilize Georgian talent to develop advanced iGaming software solutions for international markets.

Nearshore Outsourcing: Companies like Intelvision and Exadel provide dedicated development teams for European and North American clients, specializing in fast onboarding (2–4 days) and "AI-native" development.

Others with major operations in Georgia include logistics players like Girteka (Europe's largest asset-based transport company) which has established GBS hubs in Georgia to centralize IT and business operations. International investors, including Binance, have established blockchain hubs to advance regional education and development. Epam Systems, one of the largest global IT providers has a significant workforce in Georgia. Another global player, Exadel, has a base in Georgia for its global software consulting. Lineate & JettyCloud are major international IT providers that relocated significant operations to Georgia following the regional geopolitical shifts.

So, there is a lot to lose if Georgia's relocated tech professionals relocate again. There is already a skill/experience mismatch, as Galt & Taggart points out. Technology adoption has accelerated dramatically over recent years, fundamentally changing what employers need from tech professionals The rise of AI, increased cybersecurity threats, cloud migration and data-driven decision making are all shifting skill requirements, according to La Fosse, a significant international recruitment organisation in the tech sector. Companies increasingly seek professionals "who can bridge traditional technical skills with newer competencies like AI implementation and cloud architecture, combining these with a clear understanding of the "why." Fortunately, many of the skill shortfalls facing Georgia are shared by its international peers, so the situation also offers opportunity—if Georgia can upgrade its skills and infrastructure. ■

AmCham

CONTENT

39 AmCham General Assembly 2025

39 AmCham General Assembly 2025

40 AmCham welcomes Diana Kiguradze to the AmCham Board of Directors

41 AmCham Christmas Reception

42 Meeting with Acting U.S. Ambassador to Georgia and Scholarship Ceremony

43 Board Meetings

44 Committee Meetings

45 AmCham Meeting about U.S. Trade Regulations

46 AmCham x Regus Reception at Iliyard Business Center

47 Roundtable with the Georgia Resident Representative for the IMF

48 New Members

52 Member Directory

56 Board of Directors

AmCham General Assembly 2025

The American Chamber of Commerce in Georgia held its annual General Assembly and Luncheon at the Radisson Blu Iveria Hotel on December 4, AmCham President Irakli Baidashvili provided an overview of AmCham's work over the past year. Members approved a package of legal and administrative amendments to AmCham Georgia's publicly registered documents, to bring them in line with current legislation.

AmCham Vice President and Treasurer George Tkhelidze presented the 2024 financial accounts, audited by Baker Tilly Georgia, which were approved by the membership. Diana Kiguradze from Visa was elected to the AmCham Board of Directors for a one-year term.

President Baidashvili thanked the members, the Board, and the staff for a successful year.

AmCham welcomes Diana Kiguradze to the Board of Directors

AmCham Georgia extends a warm welcome to Visa Regional Manager for the Caucasus and Moldova Diana Kiguradze to its Board of Directors, following her recent election for a one-year term. Investor spoke with Kiguradze about her career, her board appointment, and what she hopes to bring to AmCham's leadership.

Hi Diana, congratulations again on your appointment to the Board of Directors! Could you briefly outline your professional background and current role in Georgia?

I've spent over 15 years building my career in Georgia's financial services sector, with a particular focus on retail banking, business development, digital sales, and payment solutions. My professional journey has always been driven by a deep interest in how technology can reshape the way people interact with financial services. Before joining Visa in 2018, I held leadership roles at major Georgian banks, where I had the opportunity to design, launch, and scale several innovative initiatives.

Currently, I serve as a Regional Manager for the Caucasus and Moldova at Visa. I oversee the growth of the digital payments business across Georgia, Armenia, and Moldova, focusing on supporting ongoing digital transformation in the region. These markets are highly dynamic, open to new ideas, and eager to adopt modern technologies—which creates an exciting environment to advance meaningful payment innovations.

What led you to join the AmCham Georgia Board?

Representing Visa, a leading U.S. organization, in Georgia has given me a deep appreciation for the value of strong economic ties between our countries. Visa brings world-class business culture and technological innovation to our region, and I've seen firsthand how this fosters an environment that values development, integrity, and collaboration.

Joining the AmCham Georgia Board allows me to contribute more broadly to strengthening commercial relations between Georgia and the United States. It also gives me a platform to advocate for policies that support innovation and create a favorable business environment. By working together with the Board members, we can tackle important challenges and build a thriving business community that benefits everyone in Georgia.

What do you see as the key opportunities and risks for internationally active companies operating in Georgia today?

Georgia continues to offer meaningful opportunities for international companies and remains one of the most dynamic markets in the region. For Visa specifically, the outlook is very positive—growth is supported by rising consumer spending, fast maturing digital habits, and strong momentum toward digital payments.

Our latest VisaNet insights show that Georgia is maintaining its position as a global leader in contactless penetration, which tells a compelling story about both consumer readiness and the strength of the local payments' ecosystem. Supportive regulation, ongoing digital transformation, and growing financial inclusion create solid conditions for innovation and for bringing global capabilities into the market.

Another important factor is the country's openness to international best practices. Georgia consistently ranks highly in international business indices, including 2nd globally in the World Bank's Operational Efficiency indicator, highlighting real progress in creating a business-friendly environment.

Of course, no market is without its practical considerations. Georgia's size means that companies often have to think beyond national borders when building scale. Talent development, especially in digital and specialized roles, continues to be a priority for long term competitiveness. Access to affordable, long term financing—particularly for SMEs—also remains an area that needs further strengthening.

Overall, I believe long term success in Georgia comes down to a combination of strong local partnerships, continuous investment in people, and the ability to blend global expertise with a deep understanding of the local landscape. Businesses that get this balance right can unlock significant growth here.

How will your professional experience contribute to the Board's work and AmCham's priorities?

My experience sits at the intersection of three areas central to AmCham's mission: representing a major U.S. company in Georgia, driving digital transformation, and building ecosystems that support business growth.

At Visa, I've worked closely with regulators and industry stakeholders to advance cashless initiatives and create frameworks that benefit the broader business community. This multi-stakeholder experience will be valuable as AmCham advocates for policies that strengthen Georgia's investment climate.

I've also led initiatives focused on financial inclusion and SME support, areas that align closely with AmCham's priorities. I understand the challenges SMEs face and the solutions that can unlock their potential. My work on women's empowerment programs has also shown me the importance of inclusive growth and diversity in building resilient business communities.

With a regional perspective on best practices and emerging trends, I aim to support the U.S.-Georgia business relationship.

AmCham Christmas Reception

On December 12, AmCham hosted a holiday reception at the Tbilisi Marriott Hotel. AmCham President Irakli Baidashvili welcomed guests, shared updates on upcoming activities, and expressed appreciation to AmCham membership for a successful year. Carols performed by the young singers of the Vocal Academy made the celebration even more magical as members enjoyed cocktails, Georgian wine, and desserts with colleagues and business partners.

Meeting with Acting U.S. Ambassador to Georgia and Scholarship Ceremony

On December 18, AmCham Georgia, in partnership with MAC hosted the 2025 AmCham x MAC Scholarship Grant Award Ceremony at the Biltmore Hotel Tbilisi.

The event opened with remarks by Acting U.S. Ambassador Alan Purcell, who shared insights on Georgia–U.S. relations and the current regional landscape, followed by a brief Q&A with AmCham members.

In the second part of the program, AmCham and MAC presented the scholarship program. AmCham President Irakli Baidashvili and Acting Ambassador Purcell then awarded certificates to the 34 newly selected AmCham scholarship students.

AmCham congratulates the 2025 scholarship recipients and thanks MAC Georgia and our partners for their continued commitment.

Board Meetings

The AmCham Board of Directors held meetings on December 9 and January 20.

Committee Meetings

On December 18, members of the AmCham Education Committee met to discuss a collective stance on the recently proposed education reforms.

AmCham Meeting about U.S. Trade Regulations

On January 21, AmCham Georgia hosted an online meeting on U.S. sanctions, tariffs, and export bans, bringing together members for an insightful discussion on key regulatory developments impacting international trade.

The session was led by John Kester, an attorney at the Washington, D.C.–based law firm GKG Law, who specializes in tariff and sanctions law and advises clients across the region. Mr. Kester provided an overview of the current U.S. sanctions landscape, recent tariff measures, and export control restrictions, highlighting practical implications for businesses operating internationally.

The discussion concluded with an interactive Q&A.

AmCham x Regus Reception at Iliyard Business Center

On January 22, AmCham hosted a Back to Business Cocktail Reception at ILIYARD Business Center in partnership with Signature by Regus. AmCham President Irakli Baidashvili welcomed guests, shared updates on upcoming activities, and expressed appreciation to Regus for its hospitality. Members enjoyed cocktails, Georgian wine, and desserts while reconnecting with colleagues and business partners.

Roundtable with the Georgia Resident Representative for the IMF

On January 28, AmCham hosted a roundtable meeting with Georgia Resident Representative of the IMF Andrew Jewell, who discussed Georgia's current economic outlook. The discussion concluded with an interactive Q&A.

NEW MEMBERS

CaucasPack LLC
Corp A

Disposable food plastic packaging solutions are specialized in by Caucaspack, with high-quality, precision-engineered products being provided through reliable and efficient processes. Certification under the international BRCGS Packaging Materials Standard has been achieved, and the highest levels of safety, quality, and compliance are upheld. Services - including custom molding, extrusion, thermoforming, and recycling solutions - are offered to deliver versatility, sustainability, and cost-effectiveness, enabling business success.

www.caucaspack.com

GD Holding / GDM
Corp A

GD Holding is a leading diversified business group in Georgia, strategically positioned at the intersection of international trade, distribution, and market development. Through its specialized subsidiaries, the group serves as a trusted platform for global consumer brands, delivering end-to-end market access, distribution, and operational excellence.

With a strong focus on compliance, long-term partnerships, and sustainable growth, GD Holding combines modern infrastructure with deep local expertise to support international companies operating in Georgia and the wider region.

www.gd-holding.com

Molecular Medicine Research Center - Primax
Corp. A

Primax is a U.S.-owned, high-complexity diagnostic laboratory and research center based in Tbilisi, founded on the core belief that "the future of medicine is personalized." Advanced molecular diagnostics, translational research, and clinical expertise are integrated to support precision-driven healthcare across the region. Primax is recognized as one of the very few laboratories in the region to be accredited to both ISO 9001:2015 and ISO 15189:2022, demonstrating a strong commitment to rigorous quality management systems, analytical accuracy, and adherence to international laboratory standards.

State-of-the-art instrumentation is utilized at Primax, with approximately 90% of the technology sourced from leading U.S. manufacturers, ensuring reliability, reproducibility, and alignment with global best practices. High-throughput testing is supported by the laboratory infrastructure while strict quality control and data integrity are consistently maintained. Core areas of specialization: oncology & hematologic oncology, personalized & precision medicine, rare & infectious diseases.

The mission of Primax is to deliver reliable, high-quality molecular diagnostics that empower clinicians with actionable insights, enhance diagnostic confidence, and support optimal, individualized treatment strategies for patients. Through continuous innovation, strict adherence to international standards, and a patient-centered approach, the advancement of precision medicine and the elevation of the regional standard of care are actively pursued.

www.primax.ge
www.facebook.com/primax-georgia

Ronny's Ltd.
Corp A

Ronny's Pizza operates in Tbilisi as a casual restaurant chain focused on preparing and serving American-style pizza. Its main activity includes making a variety of pizzas with customizable toppings, along with complementary fast-casual items such as chicken wings, salads, and sides. The restaurants offer dine-in service in a relaxed, family-friendly environment and also provide takeaway and delivery options, making their food accessible across different districts of the city.

www.ronnyspizza.com

NEW MEMBERS

Business and Technology University LLC
Corp B

Business and Technology University (BTU) is a dynamic, value-driven institution that prioritizes academic excellence, technological innovation and global engagement. The university is committed to integrating global best practices into its curricula, interdisciplinary initiatives and administrative processes, ensuring that students receive an education that meets international standards while remaining relevant to local needs. BTU's mission is to provide students with a world-class education that is both globally competitive and locally tailored. The university offers training and qualifications that are relevant, timely and aligned with industry trends, ensuring that graduates are well-prepared for the ever-evolving job market. Beyond its core academic offerings, BTU designs and implements over 100 unique and meaningful projects aimed at engaging Georgia's population beyond the classroom. These initiatives actively involve a broad spectrum of stakeholders, including academic communities, the private sector, and potential beneficiaries across the South Caucasus region. BTU works to mobilize and connect these diverse groups through innovative programs and projects. The university's initiatives are supported by major donor organizations, including DAAD, the German Federal Foreign Office, the European Union, UN agencies (such as UN Women, UNESCO, UNICEF, and UNDP), the US State Department and USAID. With over 85 international partnerships and a strong commitment to innovation, BTU is making a significant impact on a wide range of demographics. From empowering women and girls to supporting youth, mid-career professionals, AI enthusiasts, entrepreneurs and future leaders, BTU fosters inclusive growth and competitiveness across various sectors. The university is dedicated to addressing the unique needs of these groups and driving positive change that contributes to both regional and global development.

www.btu.edu.ge

Ecovis Georgia LLC
Corp B

Ecovis Georgia is recognized as a leading consulting and legal advisory firm through the provision of comprehensive professional services in Georgia. Expertise in areas such as law, tax, accounting, and related disciplines is offered by the team, with both local and international clients being assisted in navigating the Georgian market with confidence and compliance.

As part of the global Ecovis network, which operates in more than 90 countries, international standards are combined with in-depth local knowledge by Ecovis Georgia, and tailored solutions are delivered to ensure sustainable growth and regulatory assurance.

A diverse portfolio of clients across industries including construction, hospitality, manufacturing, and finance is served, with high-quality, practical, and business-oriented advice being delivered.

www.ecovis.ge

Global Accounting LLC
Corp B

Global Accounting LLC is a Georgian-based outsourcing company specializing in accounting, tax, and financial advisory services. With more than 12 years of experience, medium and large businesses across various industries are supported through the delivery of reliable, transparent, and tailored financial solutions.

www.globalaccounting.ge

Grata DMC
Corp B

Grata DMC is engaged in the events, travel, tourism, and business services industry, with a strong focus on the MICE sector (Meetings, Incentives, Conferences, and Exhibitions). Its main activities include organizing and managing business events, corporate meetings and conferences, incentive programs, team-building activities, travel logistics, and full-service destination management services for international and local clients. The company also holds exclusive licenses for team-building programs and actively collaborates with global partners in the MICE sector.

www.gratadmc.com

NEW MEMBERS

Kvareli Lake Resort
Corp. B

Kvareli Lake Resort, located south of the Caucasus Mountains, near Tbilisi, lies Kakheti, the ancient heartland of viticulture and winemaking. Here, you will find the "Kvareli Lake" resort hotel complex, which began construction in 2010 beside the picturesque Kvareli Lake. Today, the complex features a modernly designed hotel comprising 100 well-appointed rooms, alongside a range of amenities.

Guests can take advantage of two conference halls - one in the first building accommodating up to 300 guests, and another in the second building for 80 attendees - as well as a bar-restaurant, bike paths, a swimming pool, and wellness and entertainment spaces.

The resort serves as a unique venue for family gatherings, business meetings, events, and weddings. From the cozy terrace of the hotel and from each room, guests can indulge in panoramic views of the Alazani Valley, the 44-hectare natural lake, and the surrounding forests.

Whether with family, friends, or beloved pets, guests are offered a range of activities, including water biking, skiing, fishing, excursions, and a well-equipped hiking trail around the lake - providing a delightful adventure for vacationers and an ideal way to unwind.

The bar-restaurant serves an exquisite selection of Georgian and European cuisine, featuring a variety of flavors and traditional dishes crafted from high-quality ingredients.

The "Kvareli Lake" hotel complex is distinguished by its unique location, exceptional design, and high level of service. It promises comfort and unforgettable experiences for both adult and young guests alike, throughout the entire year.

www.kvarelilakeresort.ge

MED.CO Health Care - Medical Center MED.CO
Corp B

Medical Center Med.Co is the first multi-profile medical center, both on site and on call. We offer complete home care and a wide range of medical services tailored to the individual needs of patients of any age. Medical Center Med.Co unites a team of qualified doctors, ultra-modern laboratory, and high-tech medical services. Med.Co Medical Center is a multi-profile outpatient clinic operating in both Tbilisi and the Kvemo Kartli region (Marneuli).

The center provides a full range of medical services, including:

- Consultations with doctors of various specialties;
- Field-based instrumental studies;
- Pediatric day hospital services;
- Intra-articular injections;
- Nursing care;
- Ultrasound and X-ray diagnostics;
- Rehabilitation and physiotherapy;
- Plantography, audiometry, ophthalmology, spirometry;
- ECG and 24-hour Holter monitoring;
- Vaccinations and immunization programs;
- Full laboratory services;
- Preventive medical check-ups for employees (both on-site and in-clinic).

Med.Co is a provider clinic for private insurance companies and cooperates with international reinsurance providers serving non-resident patients. Med.Co is also a proud member of the Georgian Chamber of Commerce and Industry.

www.medco.ge

Pixel Academy LLC
Corp B

Pixel Academy is an innovative WEB3 educational institution based in Tbilisi, Georgia, specializing in professional courses in programming, blockchain technology, graphic design, UI/UX design, finance, cryptocurrency, trading, and related disciplines. Beyond WEB3 and Blockchain education, Pixel Academy is dedicated to developing cutting-edge solutions and providing specialized services for companies in the cryptocurrency sector. As a pioneer in the field, it is preparing to launch Pito, the first application of its kind offering interactive simulations of cryptocurrency products and services tailored for both children and adults - delivering a gamified learning experience akin to Duolingo's approach to language acquisition, but focused on fostering practical understanding and skills in the crypto ecosystem. Committed to excellence, Pixel Academy equips learners with essential tools for success in the rapidly evolving digital and technology - driven economy.

www.pixelacademy.ge

ZION
Corp B

Zion is a real estate development company operating in Tbilisi that specializes in the design and construction of premium residential projects. The company focuses on creating modern living environments that combine high architectural standards, quality construction materials, and lifestyle-oriented amenities such as green spaces, wellness areas, and community infrastructure. Zion develops projects in strategically selected locations, aiming to offer comfortable, secure, and contemporary housing that meets international standards while integrating with Tbilisi's urban landscape.

www.zion.ge

Tesen Group
Corp B

Tesen Group is recognized as a leading Georgian holding company that was established in 2008. After many years of successful operation, the business has been restructured into four key subsidiaries:

- Tesen Construction: A leading construction and infrastructure company with a portfolio of more than 200 completed projects, specializing in roads, highways, and bridges.
- Tesen Production: High-quality construction materials are manufactured, and Georgia's largest asphalt plant is operated, with a production capacity of 320 tons per hour.
- Tesen Rental: A large fleet of modern construction machinery is managed for both internal projects and rental to other companies.
- Tesen Trade: Official representation in Georgia is provided for well-known construction and industrial brands such as Kasi, Betosan, and Veleton.

A strategic focus is placed on expanding services beyond Georgia's borders, with plans for expertise to be exported to other countries. The mission is defined as the development of lasting, high-quality infrastructure that supports the sustainable growth of communities.

www.tesengroup.com

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BGI is delighted to announce that it received both national awards for Georgia at the inaugural Legal 500 Central and Eastern Europe Awards 2025, held in Warsaw on October 16. The firm was named Law Firm of the Year in Georgia and was selected from other top firms in the jurisdiction making up the short-list. Warmest congratulations are due to Partner Sandro Bibilashvili who picked up the Georgia Lawyer of the Year award. He was selected from a field of five top-rated shortlisted lawyers, three of whom were BGI partners (Zaza Bibilashvili and Unana Gogokhia, in addition to the winning candidate).

Our success in both of the two national awards once again underlines BGI's market leading position and we are thrilled to see the talent and commitment of our lawyers recognized on such a distinguished platform.

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