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ISSUE 60

DEC.-JAN. 2017-18

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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. THE INFORMATION IN THIS ISSUE WAS TAKEN FROM AGENDA.GE, A GOVERNMENT SUPPORTED WEBSITE, AND OTHER SOURCES.

EBRD FORECASTS FASTER GROWTH FOR GEORGIAN ECONOMY

The European Bank for Reconstruction and Development (EBRD) has said the Georgian economy is growing faster than expected in 2017, a trend that is likely to continue in 2018, agenda.ge reported on November 9.

The economy will grow by 4.5 percent in both 2017 and 2018, according to the EBRD's latest forecast.

"The economy of Georgia is accelerating on the back of strong export performance and burgeoning tourism. In the first half of 2017, GDP growth picked up to an estimated 4.5 percent year-on-year following two years of below-3 percent growth in 2015-16," the revised report said. The report also noted that the Georgian lari had appreciated against the U.S. dollar until mid-October, in part due to increased foreign currency inflows from exports and tourism, as well as the government's tighter monetary policy and a resurge in remittances, which grew by 19.7 percent in the first nine months of the year. "A recovery in consumption, investment in infrastructure and strong performance of the hospitality sector are expected to contribute to growth," the EBRD stated. Agenda.ge quoted the Georgian Economy Ministry as saying that Georgia will enjoy "one of the fastest economic growths among the Eastern and Central European and Central Asian countries in the years to come."

Export grew by 28.3 percent and the income received from tourism increased by 28.5 percent in the first nine months of the year, the report said, citing Ministry data.

BAKU-TBILISI-KARS RAILWAY OPENS

The long-awaited railway line connecting the Caucasus to Europe via Turkey opened on October 30.

The railway will "change the current economic reality, providing totally new economic opportunities in the region and beyond," Georgian Prime Minister Giorgi Kvirikashvili said at the railway's opening ceremony in Baku.

"It can be openly said that a new Eurasian bridge has been founded today that will connect not only our economies, but also our citizens, and improve and boost their welfare," he added.

The presidents of Azerbaijan and Turkey, together with the prime ministers of Georgia, Kazakhstan and Uzbekistan attended the opening.

Agenda.ge reported that the railway is expected to carry nearly 1 million passengers and 6.5 million tons of freight a year. Eventually it will be able to transport between 15 and 17 million tons of freight a year, according to media reports.

GEORGIA HOSTING SECOND SILK ROAD FORUM

High-ranking officials from over 60 countries and representatives from over 500 companies attended the second annual Silk Road Forum in Tbilisi on November 28-29. Georgian Prime Minister Giorgi Kvirikashvili underscored the country's commitment to developing its strategic location at the crossroads of East and West in his opening remarks.

The forum, called Belt and Road, provides a platform for regional countries and business partners to discuss potential opportunities in four areas: transport, energy, trade and business-to-business contacts, agenda.ge said.

The annual event is a joint effort by the Georgian and Chinese governments and the Asian Development Bank, it noted. The goal is to "promote the sharing of ideas, experiences and expertise along the revived Silk Road and beyond," the report said. ▸▸

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GEORGIA WINE EXPORTS GROW 59 PERCENT

Georgian wine exports have grown 59 percent in the first ten months of 2017 compared to the same period last year, agenda.ge reported on November 7, citing official figures.

Brandy exports are also up—the country exported over 13 million bottles of Georgian brandy to 22 countries, a 91 percent increase compared to the same period last year.

The country's chacha exports were up 198 percent compared to 2016, the report noted.

The country earned a total of $222.4 million from the export of all three alcoholic beverages, a 50 percent increase compared to the same period last year.

OLDEST EVIDENCE OF WINE FOUND IN GEORGIA - STUDY SAYS

Scientists have found the oldest known traces of wine at two neolithic sites near Tbilisi, media reported on November 14.

The findings were first published in a leading scientific journal, Proceedings of the National Academy of Sciences.

Grape seeds and traces of acid found on pieces of clay vessels at the sites were dated to 6000-5800 BC.

This makes them 600 years older than the previously earliest-known finding in Iran's Zagros Mountains.

The samples were taken from two sites in southern Georgia, not far from the capital Tbilisi.

"SECRET SANTA" TO PROMOTE LOCAL BUSINESSES

Bank of Georgia and Georgia Post have announced the second annual Secret Santa program for small Georgian manufacturers. Small businesses can register for the program, which encourages people to buy Georgian products as New Year gifts, at business.secretsanta.ge.

This is the second year for the Secret Santa program: last year more than 60,000 people participated, according to Bank of Georgia. The program allows people to purchase gifts—and receive a gift in return—from an anonymous Secret Santa, and support Georgian businesses in the process.

This year's Secret Santa program starts on December 1.

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Georgia Ranked 9th in Annual Doing Business Report

Georgia has been named the ninth country in the world for ease of doing business, according to the World Bank Group's annual Doing Business Report.

The report ranks 190 countries on a variety of issues that affect opening, running and closing a business.

Georgia improved its score, and was a top performer among European and Central Asian countries. Today it is ranked above Sweden and just below Norway.

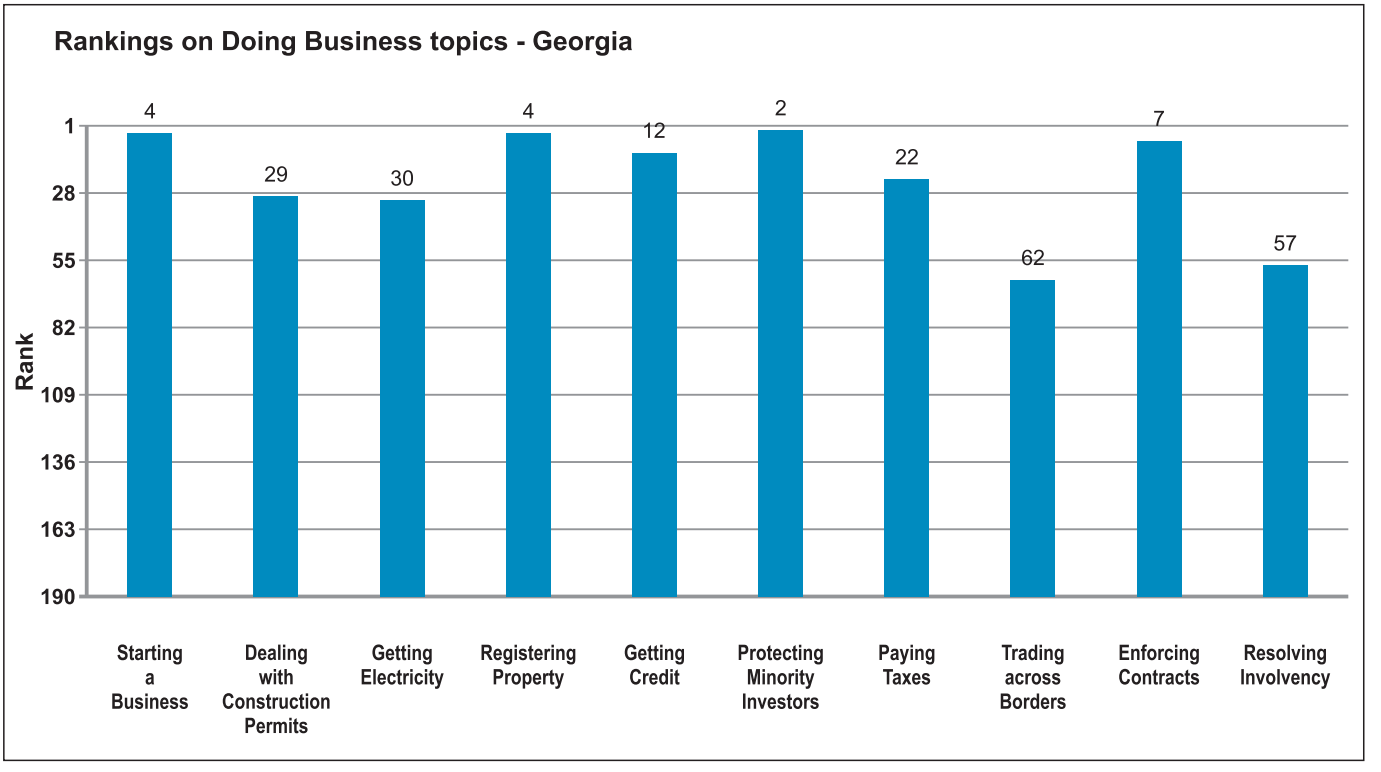
THE REPORT NOTED GEORGIA'S PROGRESS IN FIVE AREAS:

- Starting business: 4th place (8th in 2017)
- Getting electricity: 30th place (39th in 2017)
- Protecting minority investors: 2nd place (7th in 2017)
- Enforcing contracts: 7th place (16th in 2017)
- Resolving insolvency: 57th place (106th in 2017)

"With tangible reforms implemented in three key areas this year—making electricity more affordable, strengthening minority investor protections, and making resolving insolvency easier—Georgia continues to be a top reformer in the Europe and Central Asia region, and is poised to accelerate inclusive and sustainable growth," Mercy Tembon, World Bank Regional Director for the South Caucasus, said in a press conference about the report.

Georgian Minister of Economy Giorgi Gakharia said the country has become a regional leader, the report said.

"Georgia has become the regional leader, where the phrase 'ease of doing business' is realistic and accurately reflects the business climate in our country. The Doing Business report is one of the most prestigious rating systems, and seeing Georgia among its top ten countries is a great incentive for international business circles to direct their vectors and investments towards Georgia," Gakharia said.



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Government Reduces Ministries, Strengthens Economy Ministry

Finance Minister Mamuka Bakhtadze

Economy Minister Dimitry Kumsishvili

Structural reforms announced by Georgian Prime Minister Giorgi Kvirikashvili will expand the portfolio of the country's Ministry of Economy and Sustainable Development of Georgia and shutter the Ministry of Environment and Natural Resources Protection of Georgia as well as the Ministry of Sport and Youth Affairs of Georgia.

The Ministy of Economy and the Ministry of Agriculture of Georgia will take over parts of the environmental portfolio; the Ministry of Education and Science of Georgia is expanding to include youth affairs issues and the former Ministry of Sport will be merged with the Ministry of Culture and Monument Protection of Georgia.

The change reduces the number of ministries in the country from 18 to 14.

Two new ministers have been named as part of the reshuffle: Mamuka Bakhtadze is replacing Dimitry Kumsishvili as finance minister. Bakhtadze previously worked as the head of the Georgian Railways. Kumsishvili has taken over the economy portfolio.

Mikhail Chkhenkeli has replaced Alexandre Jejelava as education minister. Chkhenkeli was previously Deputy Rector of the Tbilisi State University and Dean of Natural Sciences and Engineering School at Georgian American University.

The changes will streamline bureaucracy in the country and help the government cut costs, according to PM Kvirikashvili.

"The planned changes will serve greater progress, of shaping an even more modern state and flexible state apparatus, which will reduce administrative expenses," Kvirikashvili said.

"Our style is to make sure changes are as painless and evolutionary as possible, and not radical," he said.

"This is the rationale behind the upcoming changes. I am convinced that these reforms and changes will make a tremendous difference in our country's progress and development," he added.

THE MEMBERS OF THE NEW CABINET ARE:

Dimitry Kumsishvili, First Vice Prime Minister, Minister of Economy and Sustainable Development of Georgia

Mikheil Janelidze, Vice Prime Minister, Minister of Foreign Affairs of Georgia

Giorgi Gakharia, Vice Prime Minister, Minister of Internal Affairs of Georgia

Mamuka Bakhtadze, Minister of Finance of Georgia

Mikhail Chkhenkeli, Minister of Education and Science of Georgia

Ilia Eloshvili, Minister of Energy of Georgia

David Sergeenko, Minister of Labor, Health and Social Affairs of Georgia

Sozar Subari, Minister of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia

Levan Davitashvili, Minister of Agriculture of Georgia

Zurab Alavidze, Minister of Regional Development and Infrastructure of Georgia

Mikheil Giorgadze, Minister of Culture and Monument Protection of Georgia

Levan Izoria, Minister of Defense of Georgia

Thea Tsulukiani, Minister of Justice of Georgia

Ketevan Tsikhelashvili, State Minister of Georgia for Reconciliation and Civic Equality

Georgian Government Unveils New Pension Plan

THE GEORGIAN ECONOMY MINISTRY PRESENTED THE GOVERNMENT'S PLANS TO CHANGE THE COUNTRY'S PENSION SYSTEM ON 31 OCTOBER. THE NEW PLAN CALLS FOR CREATING A PENSION FUND AND ESTABLISHING A SECOND TYPE OF PENSION, KNOWN AS AN ACCUMULATED PENSION.

The Georgian government is preparing to overhaul the country's pension system to create a model that will encourage people to save more for their retirement.

The new system, known as an accumulated pension, will exist in parallel to the current, government-provided pension.

"The draft law involves a defined contribution pension scheme, in particular - each employee, employer and the pension scheme agency makes a contribution of 2 percent of gross volume of the employee's income to an individual retirement account.

As for the self-employed, they will make a deposit of 4 percent of their income, and the state will additionally transfer 2 percent of taxable income in favor of employed and self-employed people," explained Deputy Economy Minister Nino Javakhadze.

She stressed that pension contributions will be tax free.

"I believe that the contribution of the state is very important in this process: in addition to the 2 percent contribution from the state, which will be implemented in favor of participants, the contribution, the accrued interest and the pension withdrawal will be exempt from income tax. This is a big advantage of what the state is doing to encourage people to participate in this system," Javakhadze said.

"That is, the contribution of the state is of two kinds - 2 percent and the benefits that the participants are offered. This is a pretty good offer by the state and it is ▸▸

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hardly ever found in other countries of the world," she added. The Ministry plans to send a draft of the bill to parliament by the end of the year; it is estimated that the new system will be launched from the third quarter of 2018. The Georgian government has been working on the new pension program for several years; several donor organizations have been involved in the process - World Bank, Asian Development Bank, USAID G4G, International Monetary Fund, French Development Agency (AFD).

Highlights from the proposal (taken from agenda.ge):

- Employed individuals up to the age of 40 will be automatically enrolled in the program.
- People over the age of 40 can opt into the program if they want.
- The pension program covers citizens of Georgia, foreign citizens permanently residing in Georgia or those having no citizenship but are employed or self-employed and having income.
- The monthly input of an employed person, both in private and public sectors, will equal two percent of their untaxed monthly salary.
- Self-employed people can use the program or not; it is up to them to decide.
- If a self-employed person decides to accumulate the pension, they will have to contribute four percent of their monthly incomes.
- The state will contribute two percent of the employed person's taxed salary to their pension account.
- Pension contributions will be accumulated in a pension fund, which will be invested by the state; earnings on the investments will be paid to those who hold pension accounts.

GEORGIA TAKES CHAIR AT INTERNATIONAL OPEN GOVERNMENT ORGANIZATION

TBILISI WILL HOLD THE CHAIR FOR ONE YEAR. THE COUNTRY HAS BEEN PRAISED FOR ITS STEPS TOWARD PUBLIC ACCOUNTABILITY ALTHOUGH TRANSPARENCY AND DATA EXPERTS CAUTION THAT MORE WORK IS NECESSARY.

INGE SNIP

Georgia is now the chair of the international Open Government Partnership (OGP), taking over from France in September 2017, and will lead the organization until October 2018.

The multilateral initiative was founded in 2010, and currently counts over 70 national governments (representing a third of the world's population), fifteen subnational governments, seven multilateral bodies, and thousands of civil society organizations.

"Trust is at the very heart of OGP's endeavors, and we look forward to working with our new co-chairs to increase the breadth and depth of open government initiatives," said OGP CEO Sanjay Pradhan, who was quoted in press release.

The partnership works to promote transparency, increase civic participation, fight corruption, and harness new technologies to make governments more open, effective, and accountable.

And Georgia was awarded the co-chair position due to its commitment to improve government transparency.

The country's progress has been noted. Transparency International ranked Georgia 44th out of 100 countries in its Corruption Perception index, a significant improvement compared to previous years where it continuously ranked above 50th.

SERVING THE PUBLIC

In an open letter about the Georgian government's commitment to creating an open government, PM Kvirikashvili wrote that "engaging directly with our citizens has given us a better understanding of the shortcomings we need to overcome."

He noted that Georgia's successful reforms have led to new opportunities at home and internationally.

UNDP Deputy Resident Representative in Georgia Shombi Sharp praised the government's reforms.

"UNDP has been proud to support Georgia building its well-deserved reputation in governance reforms for over a decade, from the Public Service Hall concept to more recently helping the ServiceLab imbed citizen co-creation into the design and delivery of more effective, innovative public services. And we worked with the Georgian Parliament on an ambitious action plan to increase citizen engagement, for example through e-petitions, which was recognized by the global OGP 'Champions Award' in 2015," Sharp told *Investor.ge*.

"Chairing the OGP now is a great opportunity for Georgia both to share its many achievements with other countries, while at the same harnessing new opportunities in the area of open data."

The country will have four main strategic goals during its chairmanship, includng

strengthening citizen engagement and ensuring transparency and combating corruption.

Since joining the OGP membership, Georgia has made several concrete steps to open its data up to the public increasing its accountability.

In 2012, the government initiated its Transparent Party Financing, a new framework that allows citizens to see where the finances of political parties come from. In 2014, political party financial declarations, in the form of information provided by political parties and related statistics, started to be shared on the official website of State Audit Office in machine-readable format (in Microsoft excel forms).

In 2014 the Supreme Court of Georgia started compiling statistics on hearing motions regarding operative investigative activities, in order to ensure transparency and accountability of law enforcement agencies. By completing this commitment, Georgia is one of the few countries worldwide publishing these statistics.

Eric Barrett, a technologist and data journalist, has followed the Georgian OGP developments closely over the past few years and is cautiously optimistic. "The Georgian government has made strides, albeit more slowly than I would like," Barrett told *Investor.ge*.

But Barrett also mentions that are still some major issues in the manner the government is working to improve its transparency.

He notes that crucial information which society can benefit from is either behind an extremely high paywall, not public at all, or of poor quality.

One example is the business registry. Prior to the 2012, civil society could access data about registered businesses in bulk, but after the Public Registry made some changes, this data is no longer available for proper analysis. Barratt warned that publishing information behind a paywall "undermines equal participation in using that data as a service, whether for accountability purposes or even for profit."

SMALL STEPS TO SUCCESS

The Georgian government is working with civil society to make sure its reforms are making a difference. For instance the Open Government Georgia's Forum was recently created to oversee the government's activities related to the OGP and helps bridge state institutions and civil society.

Keti Tsanava, the National Coordinator of OGP at the Ministry of Justice, told *Investor.ge* that the government is "continuously developing new strategies to open up data crucial to understand future economic development, improved accountability, and more. We are working with all government agencies to ensure the data is submitted in the right format, but of course this is a learning process, and we continue to learn everything day."

She added that work on a new action plan, which will be developed with civil society, government agencies and international organizations, will start in four months.

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Georgia Hopes New Railway Will Bring Economic Growth

THE LONG-ANTICIPATED BAKU-TBILISI-KARS RAILWAY IS NOW UP AND RUNNING. GEORGIAN OFFICIALS BELIEVE THE NEW ROUTE WILL BE A BOOST TO THE ECONOMY IN TERMS OF TRANSIT CARGO, TOURISM AND EMPLOYMENT.

INGE SNIP

PHOTO BY GEORGE SURGULADZE

Travelling and trade may have just become a little bit easier in the Caucasus with the opening of a new railway route from Azerbaijan to Turkey via Georgia.

On October 30, 2017 the Baku-Tbilisi-Kars (BTK) railway opened after over two decades of planning the new trade route.

"NEW EURASIAN BRIDGE"

The BTK is widely expected to provide an economic boost for all three countries along its route.

Georgian Prime Minister Giorgi Kvirikashvili described the BTK as a "new Eurasian bridge." "The commissioning of the new rail route will strengthen the region's transport and trade status... The project will boost tourism; new jobs will be created," Kvirikashvili said.

The European Union has said that the new rail corridor "coupled with investments, improved infrastructure and logistics coordination, will provide better connectivity, new business opportunities and increased trade."

The 846-kilometer-long trade route can move over one million passengers and 6.5 million tons of cargo per year; an increase to 15-17 million tons is expected with the planning of a parallel track in the upcoming years, according to reports.

Urban planner Giorgi Kankia says the project is important on a "global scale."

"The importance of the project is of global scale, both freight, and passenger transportation," Kankia says, stressing that the international trade resulting from it may lead to further investments in the country's railway system. For Georgia, the BTK is a welcome addition in its wish to become an international hub for trade, and Georgia has been actively pursuing the opening of free industrial zones along its section of the route.

A BILLION-DOLLAR COMPANY

Kvirikashvili and other Georgian officials have praised the project as a harbinger of future economic growth.

"I am convinced that the new railway will drastically change the current economic reality and will put in place brand -new conditions for development both in the region and beyond," he said at BTK's opening ceremony in Baku.

"Once fully commissioned, the new railway route will foster unlocking our countries' transit and logistics potential and further strengthen the region's transport and trade status."

Georgia has been heavily investing in its transportation and trade infrastructure, including the country's state-run railway company.

The Georgian Railway, globally the only state-controlled railway monopoly publicly listed and valued at over $1 billion, according to the Financial Times, has made major improvements over the past few years in its development. In

2016, the organization opened a new rail service with four double-decker trains, each able to carry 530 passengers and reach a maximum speed of 160 km/h. And the opening of an additional terminal in Vale, close to the Turkish border, is said to create the potential for more transit growth in the region, especially in terms of coal.

The company's recent successes have given it a boost following years of falling cargo volumes.

Analyst Vakhtang Charaia told *Investor.ge* that if the BTK railway attracts new sources of cargo, it will benefit Georgia.

He warned, however that while it is possible, it is "a long and complicated task to achieve."

"Today it is too early to speak about the financial benefits of Baku-Tbilisi-Kars, because it is more of a political project then an economic one. Unfortunately for the Georgian side, in recent years we have observed a decrease in transit cargoes on both the railway and at ports. Therefore the addition of a new railway from today's perspective can't bring any positive outcome for the whole Georgian economy," he said.

"But we should be optimists; if we will work in the right direction we can overcome these problems," Charaia added.

MORE CARGO, MORE PASSENGER ROUTES?

Urban planner Kankia noted that economic success from BTK could lead to better passenger train services, as well.

"This project will increase the capacity of Georgian Railways' infrastructure to carry more freight. It will also mobilize additional funding for passenger transit service improvements," he said, adding that this could led to more progressive railway development.

"An urban rail transportation system is absent in Georgia right now," explains Kankia, who specializes on the economic benefits of urban transportation.

"Commuter rails provides access to many citizens due to its high capacity, taking thousands of cars off the roads and therefore easing the traffic situation in urban centers, and it has an indirect positive impact on air pollution."

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Investment Climate Attracting Indians to Georgia

INDIAN INVESTORS ARE INCREASINGLY OPENING RESTAURANTS, SHOPS AND FINANCING FILMS IN GEORGIA.

Darispan Prasher at a Georgian event dedicated to Indian dancing

LIKA JORJOLIANI

Indian investors are coming to Georgia, attracted by the country's streamlined laws for opening businesses and the growing tourism industry.

Large Indian companies have long been interested in Georgia: a bilateral agreement to start a feasibility study for a free trade deal between Georgia and India was signed in April 2017.

For example, JSW Steel partnered with Georgian Steel Group Holding Limited to establish a plant to convert metal scraps into reinforced steel bars in 2009.

Trans Electrica was founded by Indian firm Continental Construction, along with British and Georgian firms, to construct hydro power plants in Georgia. Tata Power invested around 280 million dollars in a power project in Georgia. KEC International has been working in power transmission in Georgia for more than five years.

But smaller investors—farmers, restaurateurs, and filmmakers—are com-

ing in larger numbers today, according to Darispan Prasher, who works as the Adviser to the Rector in International Affairs at Caucasus International University .

While Indian citizens were initially attracted to Georgia for agriculture, today they are coming to open restaurants and retail businesses, as well as to study at Georgian universities.

Prasher, who used to work at the Georgian embassy in India, noted that many Indian farmers left after Georgian law was changed to restrict foreign ownership of agricultural land.

Today, he said, the majority of Indians in Georgia are opening shops and restaurants: there are around 20 Indian restaurants in Tbilisi alone.

Riju Naniyil recently started a business in Georgia. He is 30, newly married and is planning to move his family to Georgia. His business is a start-up, a small café-restaurant called Asian Cuisine, which is located in a prestigious part of Old Tbilisi.

"I registered my business 11 months ▸▸

ago. Prior to that, I leased this area. We mainly serve students and deliver fast food to Indian students. Generally, I suppose that my clients are Indian students, as well as tourists and local citizens," he said.

Naniyil said he was initially attracted to the country by the simple business registration procedures.

Anyle Sood manages the Sanja Chula restaurant on Aghmashenebeli Avenue. He arrived from Dehli two years ago in order to start a business, and initially planned to open a shoe factory.

But eventually he settled on managing the restaurant for its Indian owner.

"Primary investments for the starting of a business in Georgia are less than in India. And leasing of this restaurant in India would be much more expensive. In fact, starting a business in Georgia is easier," he said.

He notes that Indian cuisine is gaining popularity in Georgia, and the restaurant caters to locals as well as Indians and tourists.

"Our restaurant employs 50 persons. Right now we are only in Tbilisi, but we want to expand," he said.

FROM SVANETI TO BOLLYWOOD

India's film industry has also become increasingly active in Georgia, in part thanks to the government's "Film in Georgia" program, which offers foreign film producers incentives to film in Georgia.

Prasher said he has taken part in two film productions, including an Indian film, "Machine," which was produced and directed by two Bollywood producers, the brothers Abbas and Mastan Burmawalla.

The second was an Indian thriller—"Mom"—was filmed in Svaneti.

Aromal Vasantha Kumar, the Director of Roza Rise Multinational Company, decided to establish a business that includes films in its portfolio after coming to Georgia as a tourist.

"My friends living here told me about their experience," he said.

"When I arrived here, I found that Georgia is a rapidly developing country, has friendly relations with Europe and has received a visa-free regime."

He added that the conditions seemed right to start a business.

"I opened my own company. The business climate is very attractive. My company is multi-profiled; I am dealing with tourism, the film industry and work in education," he said.

The film industry, he said, is particularly interesting, and he is working on attracting Indian filmmakers to Georgia. The country is beautiful, he said, noting that "Aghmashenebeli Avenue looks like Paris."

From Wild Herbs to Pet Furniture: A Look at Georgia's Widening Export Market

THE TRIAD OF FAMOUS GEORGIAN EXPORTS—WINE, MINERAL WATER, AND NUTS—IS WELL KNOWN. BUT SINCE 2014, THAT LIST HAS BEEN SLOWLY EXPANDING, AND NOW INCLUDES A WIDE VARIETY OF PRODUCTS: EVERYTHING FROM BLACKBERRIES AND MEDICINAL HERBS TO CAT TOYS AND ANCHOVIES. INVESTOR.GE SPOKE WITH THREE ENTREPRENEURS WHO ARE FINDING NEW MARKETS FOR THE "MADE IN GEORGIA" LABEL AND THE GOVERNMENT AGENCY SUPPORTING THEIR EFFORTS.

LIKA JORJOLIANI

A few years ago, Dr. Izolda Kitesashvili, the chief neurologist in the eastern Georgian town of Gurjaani, decided to start farming.

She began with a small plot of land and 50 American Chester blackberry plants, which were provided as part of a UN-supported program at the local college.

Today, her farm is producing 25 tons of small fruit, it employs her entire family—plus 20 additional workers—and she started a company, Gile, to sell her product to supermarkets here and in other former Soviet countries.

The business was so successful that she started to expand, Kitesashvili told *Investor.ge*.

"The cooperative is specializing in the cultivation of blackberries, peaches, and tomatoes. But the most profitable is cultivation of blackberries of this sort. We closely cooperate with the USAID and with its support ... our cooperative has received a grant to procure equipment," she said.

She added that their fruit products are currently sold in Georgia and in post-Soviet countries, and they are looking to expand to the EU market, and plan to export frozen fruit, dry fruits and blackberry tea.

Kitesashvili stressed that there is untapped potential for more blackberry growers in Georgia. She helped establish the Association of Producers of Blackberries, which is planning to create an informational website so other farmers can learn about cultivating and selling blackberries. "Our Association includes more than 100 blackberry producers. One member, an entrepreneur from Kutaisi, has already sent a first lot of blackberries to Kuwait.

But to provide regular supplies, we need large volumes, and all producers must be united," she said.

FROM ENGINEER TO MEDICINAL HERBS

Farconi, Ltd was created by an unemployed engineer in Kutaisi in 1995 to ship raspberries and bay leaves to Russia and other post-Soviet countries. ▸▸

Fast-forward 25 years: today his son is exporting medicinal herbs and other Georgian products to Europe.

Giorgi Alpaidze, the founder's son and current director of sales at Farconi, said they upgraded their production to meet EU standards in 2016. Now they are exporting 49 different types of medicinal herbs to Ukraine and Germany, where they are used by pharmaceutical companies. The company is planning to expand so it can sell its herbs to Georgian companies as well.

Currently, over 1,000 farmers sell their goods to Farconi, which has two factories in western Georgia.

"One is located in Kutaisi, and is designed for processing of spices, and the second one—in the village of Zvani, in the Vani District, is designed for the processing of bay leaves ... Both enterprises are located in Imereti (Western Georgia) and employ up to 60 people," he said.

The Association Agreement with the EU was a major turning point for Farconi, Alpaidze said.

"Prior to signing of an agreement on free trade with the EU, it was very difficult to sell our goods to the European market as the customs fee was very high. Today the procedure is more simplified," he said.

The company also exports Georgian spices under the brand name "Khomli," Alpaidze told *Investor.ge*.

"Our main markets for Georgian spices are post-Soviet countries. Recently we sent our first shipment of Georgian spices to China, to Hong Kong," he said, noting they are not selling them on the domestic market right now.

Kitesashvili stressed that there is untapped potential for more blackberry growers in Georgia.

INEXPENSIVE LOANS, EDUCATION

Mariam Morgoshia, Head of the state agency "Produce in Georgia," told *Investor.ge* that the government program is helping Georgian entrepreneurs and producers learn about the benefits and requirements to export Georgian goods to the EU market—and to the other countries that have free trade agreements with Georgia.

"Georgian manufacturers have a great chance to enter into the EU market, which is stable ... The agency increases awareness of the peculiarities of the free-trade regime with the EU. We are working with our entrepreneurs not only in relation to free trade with the U.S., but with China too, and a free mode with Turkey and CIS countries," she told *Investor.ge*.

Morgoshia said the agency provides "microgrants"—worth between 5,000 and 15,000 lari—to small- and medium-sized businesses.

About 8,500 businesses have received grants so far. The funds can be used to finance the start of a business, or to expand an existing enterprise.

The agency also provides assistance to the manufacturing sector: the government provides co-financing for the interest on certain bank loans—10 percent for producers, as well as for companies involved in the hospitality sector.

In addition, if investors plan to invest more than six times the cost of a parcel of government land (four times if the land is in the suburbs), the agency can sell it for the symbolic price of one lari.

Morgoshia noted that the agency has programs to help businesses meet international standards, including manufacturing standards.

"We conduct consultations with Georgian companies to enable them to enter ... the international markets," she said.

The agency also helps Georgian companies register for trading platforms, like "Trade with Georgia" and the European network of entrepreneurs, to help establish themselves as exporters.

FCO Georgian Products

"We provide the necessary information and help them reach concrete government entities," she said, adding that the agency continues to support producers by financing 75-80 percent of the cost of joining trade missions, forums and exhibitions overseas.

"Our entrepreneurs have participated in exhibitions conducted in Germany, China and other countries," she said.

So far, "Produce in Georgia" has financed 31 projects, for a total investment of 752 million lari, which includes the agency's assistance with commercial bank loans.

The beneficiaries have employed 12,565 people, Morgoshia said.

INSPIRE TO PRODUCE

David Bardavelidze, a partner of FCO Georgian Products, said he was inspired to start an export business after Georgia signed its free trade agreement with the EU.

The company was one of the first to receive financial support from the government's "Produce in Georgia" program and, since exporting its first products in 2015, it has gone from strength to strength, Bardavelidze said.

Together with their German partners Zoo Plus, they produce and export furniture and food for animals.

"Today our enterprise employs 420 people, with an average monthly salary of up to 800 lari. The products are sold in the EU countries," he said.

"Of course, our European partner, the German company Zoo Plus, played a key role in our entering into the European market. But most remarkable is the "Made in Georgia" tag on the product and the delivery of finished products to the European market."

"Georgian manufacturers have a great chance to enter into the EU market."

Creating a Biomass Industry: Efforts to create a cleaner fuel

SALLY WHITE

Biomass is moving up on Georgia's official list of energy priorities and Georgia's embryonic biomass sector is hoping that now the time is right to get funding and start working.

While there are a few privately owned biomass fuel plants, and municipal district heating based on biomass is being revived, the industry is still tiny.

LOOKING TO THE BALKANS, UKRAINE ... AND SCOTLAND

One potential source of financing for the nascent industry is the European Bank for Reconstruction and Development (EBRD), which has been spending millions on biomass-plant and district heating in Ukraine and the Balkans.

Another enviable model is the Baltic project. Funded by the region's pension funds and insurance companies and the European Investment Bank, it was announced a few weeks ago that the investors would build a 16-million-euro Lithuanian biomass plant. The plan is for it to provide 10 per cent of the energy needed to heat Vilnius.

As yet, not a lot has progressed in Georgia on sustainable biomass consumption beyond surveys, plans, forums, conferences and the workshops stage. So it comes as something of a surprise when international biomass energy expert, Neil Harrison of UK consultants re:heat, says "a good country model for Georgia would be Scotland!"

His notes that, currently, Georgia, much like Scotland, has been short of a formal structure on which to build a biomass industry to diversify energy sources.

For example, district heating projects can be clustered to create scale for a business that can attract international aid and investment—to be really effective, the sums of money required run into the many millions of dollars.

Small plants can be networked or formed into co-operatives with the same aim.

He is a great believer in "empowerment from the grass roots to get things going." Here is where government incentives and direction are required. He knows what he is talking about, his company having worked across Europe, Africa and Asia.

As he adds: "You need enough places from which to make a start—there are many opportunities, but you need scale. Then you have to create structures to build a market for private investment and for support from the likes of the EU, EBRD, USAID or UNDP." Scotland has been going that route, and it could be Georgia's next step.

Scotland also has had the challenge of clarifying who is running the country's bioenergy strategy and thus drawing up an enforceable program of penalties and incentives.

As in Georgia, the territory is covered by several government bodies. (The merging of the Ministries of Economy and Energy to form the Ministry of Economy and Sustainable Development removes some of the overlap.)

Additionally, there are local stakeholders in the form of municipalities and a lot of private and commercial vested interests in the land. Not to speak of the political implications in Georgia surrounding wood, an energy source thousands currently use for free—solar, wind and water are so much simpler.

"So, in these conditions it is harder to know what is going on and harder to make things happen," he says after having spent some months in Georgia advising the United Nations Development Programme (UNDP).

MOVING AWAY FROM UNSUSTAINABLE BIOMASS

Officially, Georgia is currently meeting 11 percent of its energy needs from biomass. Harrison notes, however, that

this is not the sustainable type of biomass the Georgian government and the EU are promoting.

"It is all the energy created across the country from consumption of any kind of wood and other materials," Harrison points out, adding that this includes illegally logged wood and forest debris as well.

While Georgia is seeking to create a cleaner energy industry by building wind power and hydro plants and promoting small-scale solar generation, is it is currently a huge burner of wood. A study funded by the UNDP shows that "more than 70 per cent of the rural population still relies on firewood and illegal logging for their heating needs."

The study adds that "unsustainable annual consumption [of wood]… costs Georgia around GEL446 million every year." Worse still, this wood is often consumed while still wet, is not only inefficient when it comes to heat generation, but its smoke is bad for people's health.

The solution the internationally directed Georgian biomass programs are seeking is the production of briquettes made from wood, agricultural and municipal waste—a million and a half tons of agricultural residues and more than one million cubic meters of forest residues are produced every year. A UNDP report estimates that 70 percent of residential energy could be supplied from this residue, and so could systems for hospitals and government departments.

Plus, biomass energy production could create hundreds of badly needed jobs.

A MILLION-DOLLAR INVESTMENT

Action so far has included the following: the UNDP put up $1 million for a four-year biomass program, including support for three pilot biomass plants to start briquette production in Manavi, Tbilisi and Akhmeta. The UNDP supports the Georgian Biomass Association, which is tasked with further advancing Georgian biomass use.

Municipalities have been discussing the use of biomass in new and revived district heating systems along the lines developed in the Baltics.

The ideas put forth for encouraging a commercial biomass market listed in a recent UNDP report included:

- loan guarantees
- tax rebates
- investment grants
- state funding
- renewable energy targets
- developing a holistic forest sector
- help for foreign investors via investment guidelines

There may be opportunities for grants, such as from Lithuania's climate change bilateral cooperation programme. Experts from the Lithuanian Biomass Energy Association visited Georgia this summer—biomass is that country's most common source of renewable energy, and Lithuania hopes to lead the EU in biofuel production by 2020.

Other gaps, which have arisen in analysis by Zaal Kheladze, director of New Technology Center (which manages the Biomass Association of Georgia) is the lack general knowledge on the subject.

There is, he says "A deficit of knowledge on the academic and consumer level – educational establishments do not provide enough knowledge on the subject." So, people do not understand what is at stake here.

Georgia's Deputy Minister of Environment and Natural Resources Ekaterina Grigalava has stressed "the importance of cooperation between the state and private sector."

"With good policies and proactive business approaches, Georgia will achieve tremendous success producing and utilizing on renewable energy," Grigalava said.

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SKYLINE RESIDENCE

By **m²** Real Estate

Skyline Residence – first premium line project by **m² Real Estate** for those who do not compromise at getting Old City spirit and modern lifestyle at the same time. Breathtaking views over the city with a history of 1,500 years opens from each flat of 19-apartment residential building.

Skyline Residence is located in Sololaki, Tbilisi on the road leading to Mtatsminda Park, Makashvili dead end №3. The area is surrounded by Mtatsminda Park, Botanical Garden and eco-walking paths. The construction of the project is completed.

m² Real Estate is the first company in Georgia to use the innovative technology that ensures warming of the road that leads to the Skyline Residence. The technology ensures safe and convenient travel to residential complex any time of the year.

The project is inspired by Old Tbilisi. The facade of three block residential building is decorated with natural basalt stone. While the ceilings of the balconies are decorated with natural wooden panels. This exclusive development is naturally blended into the terrain and nicely fits within the existing architecture of the slopes of old town.

While having clearly distinctive architecture Skyline Residence provides comfort and remains almost unnoticed. Panoramic view over Old Tbilisi opens from up to 32 sq.m. wide terrace of each flat.

Amenities of the Skyline Residence include 150 sq.m. open terrace with swimming pool, health club located on the third floor and up to 100 sq.m. terrace – Skylounge, all overlooking old Tbilisi.

On -1 level there is a comfortable underground parking. In addition to the green surroundings, on the back side of Skyline Residence the courtyard with cozy landscaping is designed to provide quiet and relaxing atmosphere.

For the maximum comfort and special assistance concierge service provides: taxi call, car rent; restaurant and ticket booking; dry-cleaning, washing and cleaning; technical assistance. In addition to the concierge service, other services are offered for smooth functioning of the residence: 24-hour security; cleaning of common areas; gardening.

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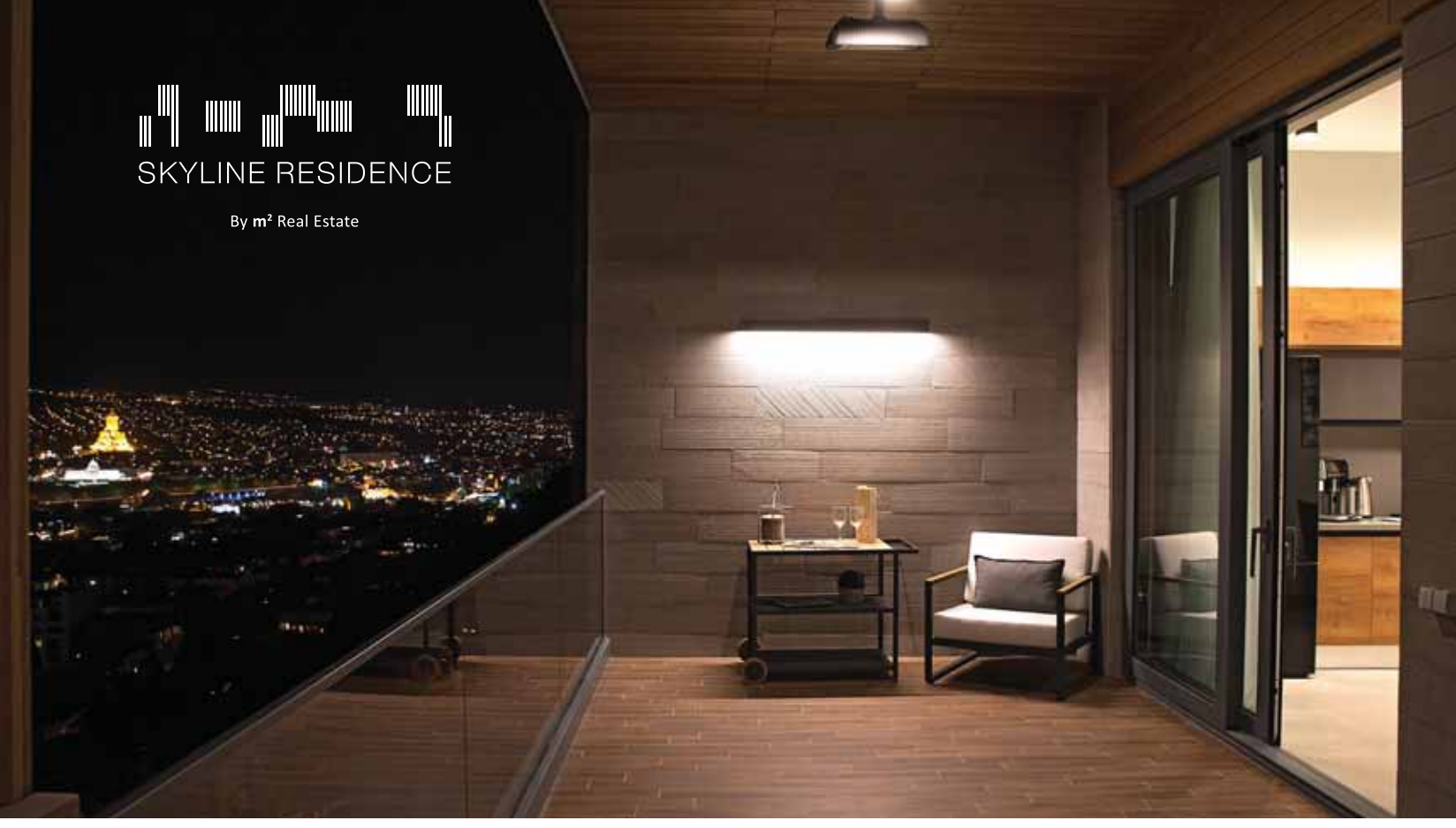

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History, Downloaded: A New App Brings Insight to Georgia's Tourism Sites

NIKI GETSADZE IS BRINGING GEORGIAN HISTORY TO TOURISTS ONE DOWNLOAD AT A TIME THROUGH HIS AUDIO GUIDE GEORGIA APP. HE SPOKE WITH INVESTOR.GE ABOUT WHAT TOURISTS LACK IN THE COUNTRY AND HOW NEW, GEORGIAN-DESIGNED APPS CAN FILL THE GAP.

SALLY WHITE

Niki Getsadze, 31, is one of the young Georgian tech professionals who are helping Georgia catch up with the IT revolution. In a country that still prefers to live on Facebook, he is designing websites and apps to help companies put their messages out.

His latest project is to help bring international-standard services via a mobile-based tourism app, Audio Guide Georgia (available at www.audioguidegeorgia.com), to the millions of tourists streaming into Georgia. Currently, it provides 25 walking tours in the main tourist areas of Tbilisi, Batumi, Mtskheta and Kakheti, but eventually the app will include guides for the entire country and in a wide range of languages, Getsadze told *Investor.ge*.

The guides are generous in their detail. On the Mestia tour, for example, on the three hour, 25-kilometer walk, you'll not only be talked through 17 sights that include Mount Ushba, churches and ancient towers, but you'll be guided to where you can taste local dishes. The much shorter three-kilometer walk through Old Tbilisi gives two hours of history and stories, taking you through the narrow streets, past old trade centers, churches and theaters. All the guides come plentifully supplied with pictures and each has a reference map.

The Audio Guide Georgia Mobile App can detect your location with using GPS.

The Audio Guide Georgia Mobile App can detect your location with your smartphone's GPS. You can then download the tours that interest you and use them offline, without having to link in via the internet.

"I realized that the number of tourists was increasing and that most were low-income. Many can't afford to hire a guide, so they lack information on what to see and how to find their way to Georgia's tourist attractions. I decided to search globally for the best models to help me build a customized audio guide

for use on a mobile or other device," Getsadze said.

"The main aim is to provide accurate and detailed information of top quality, presented in an enjoyable way. I wanted to provide a good experience for tourists seeking to find out about our culture, art and history—and, of course, our food and wine. An app, loaded with high-tech features, is a practical and innovative way of achieving that. And it can also contribute to tourism development, as it widens the choices for tourists by giving them the full range of what they can see. It also helps that they can even do their research before they come, or in their hotel rooms, by using it online," he explained.

Tourism numbers (visitors spending more than 24 hours in the country) are rising strongly, up over 28 percent in the first nine months of this year, at 2.78 million visitors.

His timing has been excellent. Tourism numbers (visitors spending more than 24 hours in the country) are rising strongly, up over 28 percent in the first nine months of this year, at 2.78 million visitors. While the largest contingents are still by far those from Georgia's neighbors, the numbers from Germany, France and the UK all rose by around 30 per cent.

To find the money to build the app, he applied for an award under the government's "Start-up Georgia" scheme and received funding. He started the business plan in January 2017 and, spurred on by the award, he had designed and built the app by June—just in time to reach the peak summer tourism season. The award has enabled him to offer the download and some of the Audio Guide Georgia information for free.

A GROWING MARKET

When Getsadze decided as a teenager that his career was going to be in Georgia's digital industry, it was a real act of faith. Georgia had barely got used to having 24 hours of electricity a day, again let alone finding its way around the internet! However, he received a Georgian IT degree and then, after moving to London, worked on building his design skills by studying at London's prestigious University of the Arts' College of Communication.

Back in Georgia, it took a few years for his web- and app-design business to gain momentum. Georgia might have had a booming creative scene of one sort or another since time immemorial—the eye catches evidence everywhere, from church carvings to Tbilisi's rich legacy of art nouveau buildings, and now its multiple award-winning films. Yet, Georgia has been slow to adopt digital media.

The International Telecommunication Union states that only around 10 percent of Georgians have a fixed broadband subscription, and 23 percent have an internet package via their mobile telephone, compared to over 80 percent in Europe and over 90 percent in North America.

However, times are changing in Georgia—more and more companies, consultants and freelancers are marketing via websites and apps. "Before, big companies used to go out of the country and find some European or American companies for their tech-communications problems," Getsadze said.

"Nowadays, it's more the case that Georgian people and companies are involved in developing, designing and building Georgian corporate websites, mobile apps, etc.," he added. ▸▸

This, as he says, is excellent for the country. “Keeping all this in Georgia is helping build an IT industry here and creating jobs,” he noted.

RESEARCH, RESEARCH, RESEARCH

While his company works mostly in Georgian, English and Russian, Getsadze has made sure that he can access experts in other languages to help his clients expand internationally.

For those who are just beginning to market their products online, he said, research is vital to establishing an effective presence. “Always try to research your whole marketplace. You have to research what is going on in your industry, not only in terms of what competitors are doing visually or technically, but also to find out as much detail as possible about their products. That enables you to decide how and what you need to communicate to your customers. It will help you paint an appealing picture of your business and ensure the targeting of your message to your customers is spot on,” he explained.

OVER SIX MILLION INTERNATIONAL TRAVELERS VISITED GEORGIA IN 2017

Over 6.4 million international travelers arrived in Georgia in the first 10 months of 2017, according to the Head of the Georgian National Tourism Administration, agenda.ge reported on November 3. The report quotes administration Head Giorgi Chogovadze as saying that a total of 6,430,824 international visitors entered Georgia in January-October of this year, which is 1,016,180 (or 18.8 percent) more than in the same time period of last year. He noted that nearly half— 3,042,907—stayed in Georgia for longer than 24 hours, a 28 percent increase compared to the same period last year. “According to data from the second quarter of 2017, the income from international tourism amounted to $658.7 million for Georgia, which was $143 million more (or a 27.8 percent increase) than the same period last year,” Chogovadze said. Revenues from international tourism in the first and second quarters of 2017 amounted to $1.1 billion—a 26 percent increase from the last year.

INCREASE IN TOURISM BY COUNTRY:

- United Kingdom – 33 percent increase
- Russia – 32 percent increase
- Germany – 32 percent increase
- France – 29 percent increase
- Poland - 21 percent increase
- Lithuania – 18 percent increase
- Azerbaijan – 15.6 percent increase
- Armenia – 11.8 percent increase
- Turkey – 10.5 percent increase
- Ukraine – 0.2 percent increase

BLC Law Office

CONSTITUTIONAL COURT OF GEORGIA LIMITS THE CONCEPT OF "GOOD FAITH BUYER"

In its recent decision of 17 October 2017, the Constitutional Court of Georgia rendered particular reading of Article 185 of the Civil Code of Georgia unconstitutional. The named article protects the interests of a good faith buyer and denotes that sales transaction shall be upheld even if seller was not a lawful owner of the property, provided that seller was registered as the owner at the Public Registry and buyer was not aware of seller's defect in title. The Court noted that the limited reading of Article 185 exempts from the concept of "good faith buyer" only the buyer who has a positive knowledge of seller's defect in title and leaves out the instances, where the buyer is informed that the title is disputed at the Public Registry or the courts. The Court established that Article 185 must be read broadly to capture the latter scenario as well. The decision of the Constitutional Court does not imply that the buyer is burdened to take additional steps or bear additional costs related to the due diligence of seller's title, rather the buyer should refrain from purchasing the immovable property when informed of the challenge of the title. Otherwise, buyer has to bear the risks associated with success of such challenge.

ISSUING LOANS IN USD MAY BECOME AN ADMINISTRATIVE OFFENCE

The regular readers of BLC Newsletter may recall that, effective from January 2017, loans below GEL 100 000 may no longer be issued in USD. As an effective enforcement mechanism, the Parliament of Georgia discusses amendments to the Administrative Offences Code of Georgia envisaging sanctions for violation of the above rule. Sanctions include administrative warning with a cure period of one month and a penalty in the amount of GEL 1000 in case of continuous or repeated breach. If the bill goes through, the compliance with the restriction and related sanctions will be administered by the Revenue Service of Georgia. Amendments do not concern financial institutions supervised by NBG.

MAJOR REFORM OF STATE PENSION SYSTEM UNDERWAY

On 31 October 2017, the Government of Georgia has introduced a draft law on Accumulative Pension to kick off public discussion. Although not yet progressed to the Parliament, the draft law has already produced a lot of controversy. The law introduces allegedly modern approach of accumulating pension funds by contributions made by the employee, the employer and the state to replace the existing social pension package. In particular, according to the draft law, each month 2% of the gross salary will be transferred by the employee to the special pension fund, 2% shall be paid by the employer and 2% will be added up by the state from employee's personal income tax. The funds so accumulated will be managed and invested by the state agency to ensure reasonable returns on such investments. After retirement, people will thus have accumulated funds at their disposal to decently provide for themselves in their old age. The Government expects the reform to boost state economy, however it remains questionable whether the business sector, obliged to contribute their portion of the funds, will share such enthusiasm.

PPP REGULATION FINALLY IN PARLIAMENT

Long awaited bill on Public and Private Partnership (PPP) was finally lodged to the Parliament of Georgia on 28 September 2017. The bill aims to establish unified legislative and institutional framework for public and private partnership in Georgia. The document was elaborated in cooperation with various Ministries of Georgia, IMF, EBRD and international experts and is said to reflect the state-of-art approaches in PPP regulations. The draft law provides for the rules governing PPP process staring from evaluation and announcement of the project up until selection of the investor and monitoring the compliance with its PPP commitments. The bill further differentiates between concessions and non-concession PPPs and abolishes an outdated law of Georgia on Issuing Concessions to Foreign States and Companies. If adopted, the law shall enter into force on 31 March 2018. In the interim, the Government of Georgia has to establish a new institution supervising the PPP projects and also adopt relevant implementing legislation.

CONSTITUTIONAL AMENDMENTS ADOPTED

On 13 October 2017, the Parliament of Georgia adopted extensive amendments to the Constitution of Georgia. Among others, the amendments cover restriction of foreign ownership of agricultural lands, subject to carve-outs prescribed by the special organic law to be further adopted by the Parliament. Most importantly, Georgia shifts from semi-parliamentary to a wholly parliamentary system of government with a president elected by the Parliament, rather than by citizens directly. The amendments further enhance certain social rights and provide for the definition of marriage as a union between a woman and a man. The restated Constitution comes into effect after the next presidential elections in 2018.

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Georgian Wine Experiments to Beat the Cold

WINE LOVERS EAGER FOR A WARM DRINK ARE PUSHING GEORGIAN WINERIES AND WINEMAKERS TO ADAPT MULLED WINE RECIPES FOR LOCAL GRAPES.

TATJANA MONTIK

In the West, people have been drinking hot wine to warm up in the winter since the Roman Empire, where the drink was known as Conditium Paradoxum. Today, every Christmas market in Germany, Austria and Italy offers several kinds of mulled wine, white and red, without or with "Schuß" (i.e.. extra shot of strong alcohol).

Hot wine beverages have slowly made their way to Georgia, too. Today, nearly every restaurant in Tbilisi that caters to tourists has mulled wine on its menu. Cafes in Gudauri and ski resorts in Bakuriani have also adopted the drink: it is hard to imagine an active day outdoors without the warming and relaxing effect of aromatic mulled wine.

But it is one thing to have the drink served in a cafe—and quite another for it to be adopted by the purists of Georgia's ancient wine-making culture. Has the trend spread to Georgian wineries?

WHEN IN ROME

George Piradashvili is the owner of two popular hotels and a restaurant in Kakheti, Chateau Mere and Royal Batoni. Piradashvili also runs the Winveria winery. "During the winter season, hot wine beverages are highly popular with our guests," Piradashvili said.

"But now, I am talking only about mulled wine. I would say that beverages like grog have not yet made their way to Georgia. For mulled wine, our restaurant has some special recipes; they vary a lot," he added, noting that Georgian wine is suitable for warm wine drinks.

"We use our Winveria wine to cook mulled wine. Our recipes include spices like cinnamon and cloves, a bit of lemon

or orange peel," he said.

Shukhman winery from Kakheti has a special seasonal product called "Mulled Wine," which one can find in wine shops as well as in some supermarkets. From the main winemaker of Shukhman winery, Giorgi Dakishvili, I learned that this drink is made out of Saperavi wine, spiced with orange peel, cinnamon, nutmeg, cloves and black pepper. "You don't need to do anything yourself any more. Just open the bottle, warm up its contents and enjoy your drink," Dakishvili suggested.

According to Dakishvili, this seasonal product is so popular with the customers that some of them also enjoy it as a cold drink, too.

This should actually not be surprising, since the Romans also used to drink Conditium Paradoxum cold.

In the popular and well-sorted wine shop "8,000 Vintages" in Tbilisi's Saburtalo district, one can find a rich choice of wine from different wineries from all over Georgia. There, I approached Irakli Chkhaidze, the general manager, in order to ask him about the new trend to drink hot wine drinks in winter time. "Georgian wine is perfectly suited for making mulled wine. The taste of the wine you choose does not really matter, as you cook it and as you put spices into it. You are supposed to add some sweet taste, too, like sugar syrup or honey. This is why you should not worry much. Just take any Georgian wine you like, boil it, and enjoy," Chkhaidze recommended.

Davit Tsintskavadze, general manager of the new Kakheti wine company Nelkarisi, is pleased with the new trend for mulled wine in his country. He recommended making the drink with Ikano semi-sweet wine, a blend of Saperavi and Merlot, which won first prize this year as the best semi-sweet wine of Georgia from the Georgian Sommelier Association.

MATTER OF TASTE AND VINE

Other Georgian wine connoisseurs disagree, however, arguing that a European vintage is better suited to make a European drink like mulled wine.

Tamar Janiashvili Rokashvili, the manager at Pheasant's Tears restaurant and winery in Sighnaghi, is experienced at organizing wine tastings for guests. Rokashvili admitted, though, that while she is very knowledgeable about Georgian wines, she is less informed about the European varieties.

"In our country, there is no tradition of hot wine beverages. I am pretty sure that mulled wine should be made on a base of wine made from other [grapes], not Georgian grapes," she said.

Giorgi Natenadze runs a winery in the Samtskhe-Javakheti region close to Vardzia. He dedicates his passion to reviving the rare old grape varieties that were destroyed in the 16th century, after the Turks occupied that region.

Natenadze is convinced, too, that you should not use wine made from Georgian grapes to prepare hot wine drinks. "As hot wine is more a kind of European tradition, you should take wine like Cabernet Sauvignon for making mulled wine," Natenadze suggested. "I have this kind of wine, made in qvevri for three years. I experimented with preparing mulled wine with it. And the result was surprisingly nice. But as we know, Cabernet Savignion is not a Georgian grape."

If anyone can tell me the proper place (and vintage) for mulled wine, it would be Alexander Novikov, the owner of Dadi's Bar on Shalva Dadiani street in Tbilisi. A relative newcomer to Tbilisi, ▸▸

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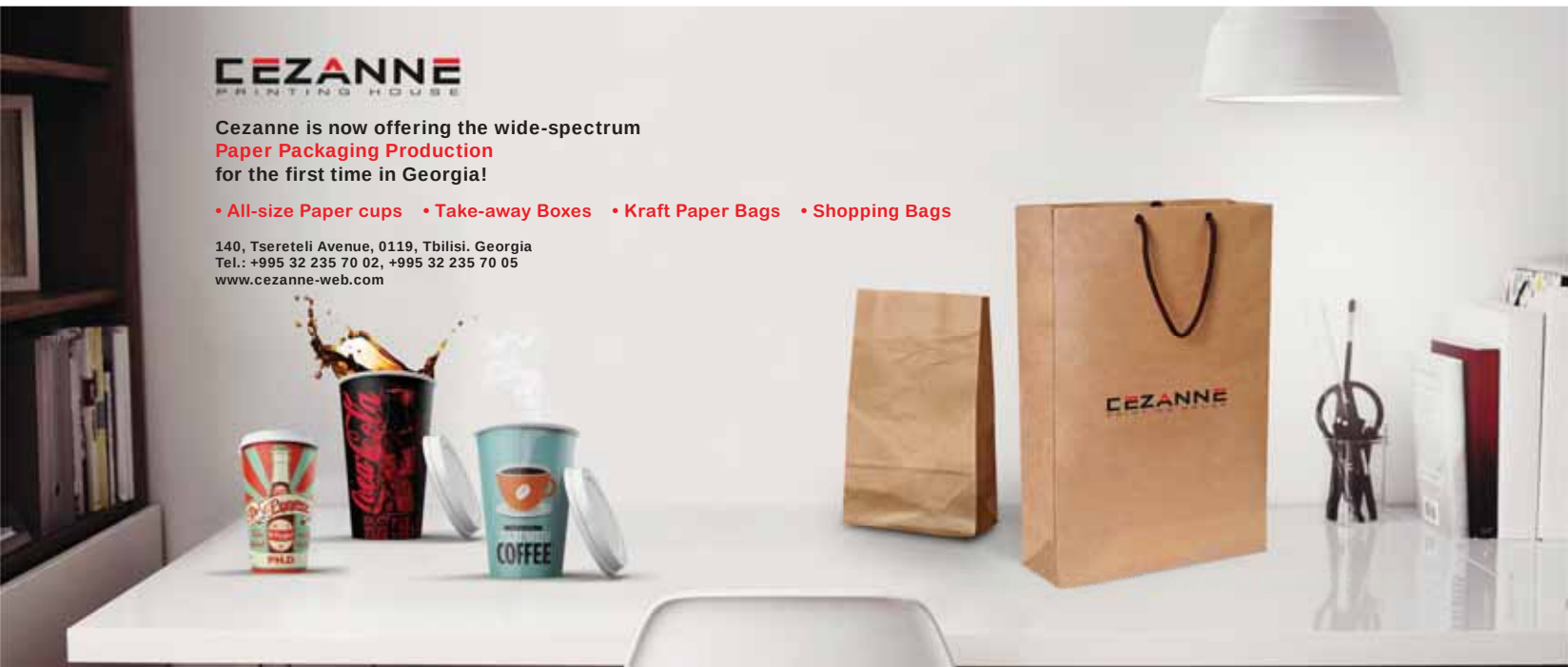

Many different recipes of mulled wine can be found on the Internet, including the original recipe of mulled wine. This is an adapted version of the recipe of Conditum Paradoxum taken from an old Roman cooking book, De Re Coquinaria, written by Caelius Apicus in the 3rd-4th century A.D.

CONDITUM PARADOXUM

Ingredients:

200 g of honey

1.5 liters of dry white wine

5 fresh peppercorns (or 10 dried ones)

2 fresh bay leaves (or 4 dried ones)

5 dates

3 g saffron

1 sprig of rosemary and 3 lavender flowers or 3 small lavender stalks

Preparation:

1. Core the dates, soak the date meat in 200 ml of the wine, and roast the date pits in an ungreased pan.

2. Add the date pits, wine with dates and the honey to the pan, bring to a boil, and froth.

3. Add the remaining ingredients and bring to a boil again.

4. When the boiled wine has cooled, add the remaining wine and leave for 1 to 2 days.

5. Filter the spiced wine through a fine sieve before serving. This drink can be enjoyed hot as well as cold.

The Conditum may be kept refrigerated for several months.

This recipe is also great with red instead of white wine.

The addition of dates is the matter of taste, of course. You can skip them and instead experiment with cloves, cardamom seeds, star anise, and pimento in your personal version of mulled wine.

he has been working in the food and beverage industry for about 25 years: he studied in Switzerland and he then worked at international hotel chains around the world as a food and beverage specialist. When I asked him about the trend to drink mulled wine, a sarcastic smile crossed Novikov's face. "I am sorry, but mulled wine is not a drink to be served in bars or in restaurants," he replied. "This is why we don't have it on our menu."

"You would usually drink mulled wine outside, if you are somewhere in the mountains for skiing," Novikov said. "You would usually drink it from a cup with thick sides.

This keeps your drink warm for a long time. And pay attention to one more detail: Don't overindulge, because otherwise you'll probably get a hangover with headaches the next day."

His advice is well placed: headaches are a rather common side effect of mulled wine consumption, unfortunately.

These unpleasant symptoms are usually caused if bad wine was used for making the drink or due to the extra shot of alcohol that is usually added to the wine in order to increase its alcohol content.

As wine loses its alcohol content during the cooking process, some people add extra alcohol shortly before serving. Strictly speaking, however, this beverage is no longer "mulled wine." It should be called "punch" instead.

A SIP CLOSER TO EUROPE

Irakli Gvaramia is a young winemaker running the brand Artizani. In his winery, Gvaramia and two of his business partners are producing red and rosé wines from the microzone in the Kakhetian village of Khashmi, which is known as the best area for Saperavi grapes.

Gvaramia is rather enthusiastic about mulled wines. No wonder: This trend is bringing Georgia closer to the European Christmas traditions. "Actually, we Georgians found out about mulled wine a long time ago. We learned about it from Soviet cookbooks, which also contained some exotic recipes. There, it was called *glintvein*.

This is why you often find this name, *glintvein*, on the menus of restaurants or as an advertisement offering mulled wine on the street. But this does not mean that in Soviet times we prepared *glintvein* ourselves.

It was more a kind of theory to us. The trend of drinking mulled wine is quite new for Georgia, it started about five, six years ago," Gvaramia explained.

"But I don't consider this drink to be wine. It is more a kind of hot cocktail. But I quite like it. For Christmas it is a kind of special drink. When it is cold outside, you naturally want to drink something hot, and if it is made of wine, it is even better," he added.

Is Georgian wine suitable for making mulled wine? What about Artizani wines, for example? Gvaramia replied without any hesitation: "Definitely! But of course it depends on your taste. Some people prefer sweeter wines for cooking mulled wine. I only must warn you in one respect: Don't look for something with a lot of tannin, which is actually a very Georgian style, as the structure of this wine is too strong. For mulled wine you need something milder and more balanced," he said.

As I learned, everything is a matter of taste as well as of quality—this extends to wine, including the mulled variety. Speaking for myself, I welcome the mulled wine trend in Georgia: I remember how a cup of this aromatic spicy hot wine drink has saved me in past winters—helping me avoid catching a cold even when I was freezing in the winter weather. Enjoy!

SNOW, SUN AND SKIING:
A Guide to Georgia's Winter Resorts

Georgia may have built its tourism industry as a sunny getaway to Batumi and its Black Sea beaches, but the country is equally inviting for winter travel.

Home to five major ski resorts, Georgia has something for everyone.

Gudauri is the closest ski resort to Tbilisi—just 121 km from the capital—which makes it a popular winter weekend playground for Tbilisians.

It sits in the greater Caucasus mountain range, 2,200 m above sea level. Gudauri has been the site of major investment from the government, and has 57 kilometers of ski runs. There is also heli-skiing and, for the non-skiers, tubing.

Bakuriani is in the lower Caucasus, about 180 km from the capital Tbilisi and just 30 km from the town of Borjomi—which is also a resort town in its own right, famous for its ancient mineral water springs.

Tucked in the beautiful Borjomi Gorge, Bakuriani is located about 1700 meters above sea level and enjoys snowy winter weather from December to March. Locally, it is best known as a resort for families and boasts of a good beginners slope and plenty of activities for non-skiers. Neighboring Mitarbi is scheduled to be connected to Bakuriani's Kokhta ski area.

Mestia and Tetnuldi are located in Georgia's breathtakingly beautiful mountainous region of Svaneti. The region is home to the highest peaks in the country, according to skigeorgia.ge: Tsurungala (4220 meters), Ailama (4550 m), Shkhara (5068 m), Jangha (5060 m), Gestola (4860 m), Tikhtingen (4620 m), Tetnuldi (4860 m), Mazeri (4010 m) and Chatini (4370 m), which neighbor the famous Mt. Ushba (4700 m.)

Goderdzi is located in the western region of Adjara.

The resort is 109 km from Batumi and 252 km from Tbilisi. It is 2,000 meters above sea level, and offers eight kilometers of ski runs. It is an all-year resort, with the ski season running from November to May.

The New Silk Road: The US needs a free trade deal with Georgia

INVESTOR.GE IS REPRINTING AMCHAM GEORGIA PRESIDENT MICHAEL COWGILL'S EDITORIAL, WHICH WAS ORIGINALLY PUBLISHED IN THE HILL ON OCTOBER 28.

Georgia, the small European country nestled along the shores of the Black Sea and astride Europe's highest mountains, is one of the few unequivocal success stories in a region where America's security and commercial interests are strong and growing. The next natural step to extend that relationship is a Georgia-U.S. Free Trade Agreement. This would enhance the security and prosperity of Georgia, while offering U.S. companies a new and dynamic route into Eurasia, the Middle East and the EU.

Due in large part to bipartisan support in Congress and the U.S. government, Georgia is thriving. USAID, OPIC, Millennium Challenge Corporation, and the Departments of State, Commerce and Defense all continue to contribute to that success. This has helped create a long track record of free-market economic reforms and diversification and improvements in the democratic environment that continue to unleash the talents and entrepreneurial instincts of its highly educated population.

Prudent policy, exports, tourism, investment and a commitment to becoming a regional hub for trade have fueled this success. Meanwhile, diversification in energy, tourism, transportation, agriculture, logistics, and business processes offer exciting growth potential.

As a result, in October, the International Monetary Fund revised Georgia's annual growth to 4.3 percent, which is an extremely healthy outlook and more than double the regional average. Moody's has already signaled its confidence in Georgia by upgrading its local and foreign currency issuer ratings to Ba2 from Ba3, one notch away from investment grade.

These improvements reflect the success of market reform efforts over many years. Most recently, this has been led by Georgian Prime Minister Giorgi Kvirikashvili's four-point strategy to draw investment to the country by modifying income tax laws favorably for most businesses, streamlining governance to drive efficiency, accelerating critical infrastructure projects, and focusing investment in education on the most needed areas and professions.

Georgia has the most business-friendly, reliable, and predictable business environment in the region. Georgia's favorable tax regime is the 9th least burdensome in the world, according to the World Economic Forum. This is a significant enticement to both local and international investors.

Moreover, Georgia is emerging as a regional hub for trade on the New Silk Road. Georgia is now less than 10 days overland from China, and within four days of any point in Europe. A new deep-water port on the Black Sea will further enhance this connectivity, as it will be capable of handling up to 100 million tons of cargo and the world's largest container ships. The Anaklia Port Project, estimated at $2.5 billion, is an ambitious joint venture between U.S. and Georgian firms and will be operated by an American company.

Georgia now has a Deep and Comprehensive Free Trade Agreement with the EU, and its citizens enjoy visa-free travel to the Schengen countries. Georgia has free trade agreements with Turkey, the European Free Trade Association countries, and CIS countries, including the Russian Federation. Georgia recently signed an exclusive free trade agreement with China, which is having an explosive impact on Georgia's export markets and promises to put this small country in an enviable position — with a modern deep-water port — along Eurasia's New Silk Road. In all, Georgia currently has free access to a market of over two billion consumers.

Improvements to Georgia's infrastructure will, in themselves, bring huge business opportunities. The Georgian government has announced $4.5 billion of transport infrastructure projects over the next four years; a continuation of transport, energy and infrastructure enhancements that have been taking place for years.

Major U.S. companies, like AECOM in engineering contracting and General Electric in contracting and equipment sales, have been taking advantage of Georgia's opportunities. Other U.S. companies have also invested over many years in tourism, telecom, IT, energy production (hydro, wind and solar) and many other sectors. But the Georgian market still remains relatively unknown to U.S. companies. To help correct this oversight and help U.S. companies take better advantage of these opportunities, the most urgent need is a Free Trade Agreement between Georgia and the United States.

An FTA would benefit both countries significantly.

We have seen, for example, how America's FTA's with Chile and Singapore dramatically increased exports and overall trade, giving U.S. companies footholds for accessing new markets and expanding their business in those regions. Georgia is a highly educated and Westernized, low-cost and low-tax access point to Europe, Eurasia, the Middle East and Asia. And for many American companies, Georgia can provide a similar foothold.

The bond between Georgia and the United States was based initially on an unbreakable commitment to freedom and on increasing geopolitical and energy security along this European borderland. Now commerce and trade undergird and support that commitment. The next logical step in this welcome process is a Free Trade Agreement that offers American investors a leg-up in a busy and growing marketplace. This should be a priority to strengthen the economy and security of both countries.

AMCHAM GOES TO WASHINGTON

At the end of October/early November, an AmCham delegation visited Washington, DC to meet with US government officials, legislators from the House and Senate, and foreign policy experts. The delegation included AmCham Georgia President Michael Cowgill; First Vice President Sarah Williamson; BP Country Director, Chris Schleuter; San Diego State University Georgia Dean Ken Walsh; and AmCham Georgia Executive Director George Welton.

We make this trip every two years or so, and its main goal is to update and inform. The U.S. Government and experts in DC tend to hear about Georgia in terms of politics and geopolitics, and most of what they hear comes from politicians, diplomats or politically oriented NGOs. Our trip provides a business and economic perspective directly from American businesses on the ground.

The trip also helps us develop a relationship with U.S. officials and develop a better understanding of the priorities, people and personalities that shape U.S. policy for Georgia. This understanding can then help us advocate on specific issues. For example, in the late spring of this year, the White House proposed its so-called "skinny budget," which included significant cuts in financing to and for Georgia. In response, we were able to contact the U.S. Senators and Representatives we had met before to argue against this proposal. It currently appears that the 2017/2018 budget is very favorable for Georgia. As a result, one of the goals of the delegation was to thank U.S. legislators for their continued support.

As with our previous trips, the 2017 delegation highlighted a range of topics which we tailored to the interests of U.S. officials. We discussed the continued and irreversible Western trajectory of democratic and economic reforms in Georgia and the continued efforts by Russia to undermine this agenda. We also highlighted the considerable opportunity that Georgia offers for U.S. companies as a hub for the region, particularly with the large infrastructure projects under development.

Given these facts, we were also able to emphasize the way in which a U.S.-Georgia Free Trade Agreement (FTA) would work to serve the economic and strategic interests of both America and Georgia, and we discussed how to tackle some of the hurdles involved in making such an agreement happen.

In arranging the meetings, we reached out to U.S. government agencies, as well as members of the House Foreign Affairs, Appropriations and Ways and Means Committees and the Senate Foreign Relations Committee. We also reached out to members of the House Georgia Caucus and to U.S. Senators who have been strongly pro-Georgia for many years. The level of interest from the Washington side was tremendous. We conducted 45 meetings in four days, including meetings with the State Depart- ▸▸

ment, Commerce Department, USAID, the U.S. Trade Representative and OPIC. From Congress, we met with eight U.S. Representatives directly and the staff of 26 additional Representatives and 10 Senators. We also met with local think-tanks, like the Business Executives for National Security (BENS) and finished our trip with a roundtable discussion panel hosted by the Carnegie Endowment for International Peace.

Our messages were extremely well received. As we have found in the past, there was a clear understanding that Georgia deserves continued U.S. support and that such support is in America's immediate national and geopolitical interest. Legislators also offered general support for the concept of an FTA, both because of an understanding of the need to intensify U.S.-Georgia economic relations, and because the current administration may have an appetite for bilateral trade agreements. However, most of the meetings also acknowledged that achieving an FTA would require a clear development strategy as the USTR (the government entity responsible for negotiating trade agreements) is currently focused on renegotiating other large existing trade deals, including NAFTA involving the U.S., Canada and Mexico.

Most importantly, however, we found that U.S. government legislators and officials fully understand the challenges that Georgia faces, and they are interested in continuing to support the country and looking for opportunities that Georgia might offer for American companies to trade and invest. Many of the members of Congress and staffers had visited Georgia; in some instances, several times. All of them continue to agree that the U.S. must remain as Georgia's most important strategic ally. The AmCham team, in turn, was happy to reinforce that view, and to offer ourselves as a facilitator of U.S.-Georgia economic relations now and in the future.

AmCham would like to thank the U.S. Embassy, the Georgian government and Georgian Embassy in Washington and all of the delegation members for their support of our trip.

AMCHAM

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AMCHAM HOLDS ANNUAL GENERAL ASSEMBLY

The American Chamber of Commerce in Georgia held its annual General Assembly and Luncheon at the Holiday Inn Hotel on November 15th. AmCham Georgia President Michael Cowgill offered an overview of the accomplishments of the AmCham during the last year. AmCham Treasurer Irakli Baidashvili presented the 2016 financial report, which was approved by members. Two resolutions from the board were also approved; a resolution to continue Otar Kipshidze as a Board Member of AmCham and a Resolution to appoint Amy Denman as an Honorary Member.

AMCHAM HOSTS MEMBERS-ONLY PRESENTATION ON ANAKLIA DEVELOPMENT

Mamuka Khazaradze, Co-Founder/Partner of Anaklia Development Consortium; Levan Akhvlediani, Chief Executive Officer of ADC; and Keti Bochorishvili, CEO of JSC Anaklia City, presented on the Anaklia Deep Sea Port and Anaklia City projects for AmCham members at the Chamber's monthly roundtable at Radisson Blu Iveria on October 26. The presentation was followed by dynamic Q&A session between AmCham members and the guests.

AMCHAM'S CLT COMMITTEE DISCUSSES LABOR LAW, JUDICIARY

The AmCham CLT Committee members discussed current legal issues in Georgia at the November 10 meeting. The Committee discussed recent developments within the judiciary system in detail, as well as important factors related to the creation of the commercial chambers under the common court system. In addition, the Committee also considered upcoming changes to the labor law and the relevant findings from the recent conference on labor rights, which the Georgian Parliament organized.

KPMG GEORGIA ANNOUNCES APPOINTMENT OF NEW PARTNER

On 1 October 2017, KPMG in Georgia promoted Irina Gevorgyan to partner. Irina has been heading up the Advisory practice in Georgia since 2013 and has overseen the growth in the Advisory team from two to 13 people. Irina joined KPMG in 2003 and has worked in Armenia, Georgia and the UK.

Irina is a Fellow of the Association of Chartered Certified Accountants in the UK and holds an MBA from the prestigious IE Business School in Madrid. Irina is also a registered auditor in Georgia.

Due to the growth in the KPMG Advisory business in Georgia in recent years and the expectation of further developments in this market in Georgia, KPMG Georgia needed an experienced person to lead this part of the business. Irina, with her wealth of experience in Deal Advisory, Risk Consulting and Management Consulting along with her background in Audit was the ideal candidate. Irina has worked with some of the largest businesses in Georgia on numerous projects over the last four years and has gained a huge amount of experience especially in the telecoms sector.

Andrew Coxshall, Managing Partner for KPMG Georgia explained what this meant for KPMG Georgia and for him personally "The addition of a Partner in the Advisory business greatly enhances KPMGs capabilities to serve clients' needs and puts us in a great position to be ready for additional growth in this area. Also for me personally I am extremely happy for Irina to get through the very rigorous Partner admission process which is a testament to her strength of character, determination and versatility. I am sure that she will do a great job and encourage others by her achievements."

Irina also becomes the first female partner in the Big 4 firms in Georgia and reflects KPMG's gender equality credentials.

Irina said "During the past couple of years the Advisory team in KPMG Georgia grew from a small pool of advisory professionals to practically independent teams of Transaction services, Valuations, Financial Risk Management, Risk Consulting professionals. I am very proud of our achievement and extremely happy to lead this team. I believe that the advisory market in Georgia will continue growing and I will do my best to lead KPMG Georgia Advisory team to further success"

SDSU's Luka Lomtadze Chosen for Coveted Facebook Internship

INVESTOR.GE SPOKE WITH SAN DIEGO STATE UNIVERSITY (SDSU) JUNIOR LUKA LOMTADZE ABOUT BEING SELECTED AS THE COUNTRY'S FIRST INTERN AT FACEBOOK.

Luka Lomtadze, a junior in the SDSU Computer Engineering program, will work as a software developer intern at Facebook headquarters — one of the most prestigious internships in the world.

On average, Facebook receives 250,000 applications annually in the field of software development, he noted in a blog post. It hires just 330 interns.

He is the first student in the history of SDSU to earn a position in the social media giant's coveted internship program. Prior to studying at SDSU, Luka graduated from Kutaisi's Physics and Math school.

"Being here on the main campus in California, I have been feeling a fervent responsibility of being Georgian, which is one of the biggest motivations for me all the time. I and my Georgian friend have an ardent desire to challenge everyone who thinks stereotypically that nothing is impossible," Luka told *Investor.ge*.

"Statistically, only 0.132% of applicants get this job. Being among them and also being the first SDSU intern at Facebook feels like we are doing really great in our challenge. It might seem hard and challenging, but it is totally possible. I believe the fact that I could do it will motivate others to do their best."

SDSU Georgia Dean Ken Walsh said Luka is an example of what the university is working toward for every student.

"The goal of the SDSU Georgia project is economic growth, and we achieve this goal by helping students to reach their dreams in Science and Technology.

Luka is the first of many students who will be taking advantage of this opportunity," Ken Walsh told *Investor.ge*.

Luka has been fascinated with programming since he was in the 5th grade, when he said he "instantly fell in love with it."

"I started programming in the 5th grade and instantly fell in love with it. Since then, my utmost goal was to get a job in one of the world's biggest software companies and did my best to bring my skills to the needed level. For the past six years, I initiated eight software startups, out of which I am currently running two of them back in Georgia," he said.

"I also worked for more than 10 different companies and governmental structures and eventually did projects on probably all popular programming languages for various platforms. I believe this experience played a significant role to get an invitation to Facebook's technical interview."

As an intern at Facebook headquarters, Luka said he will be working as a software developer.

"The group matching process is done using an employee's skills closer to the internship period, but due to my background, I believe any software project at Facebook will be exciting for me. I feel like I have just embarked on the highway leading to huge future successes. I feel like now I will move even faster and thus will achieve significantly more in my life," he said.

Luka noted that Facebook is the most popular social media platform in Georgia - and in the world.

But he noted that the company has become more than a networking system.

"Facebook is a company which unites more than tens of thousands of different softwares, including Instagram, WhatsApp, Oculus VR and many other popular services," he said.

"I believe the younger generation always tries to do be different, tries to do extraordinary things, and Facebook's social networking became the very ordinary thing in our lives people can't live without," he said.

"I believe Facebook is the most popular social networking system in Georgia for all generations–almost all teenagers are at least actively using Instagram and most of the organizations and businesses vigorously promote their products/services through Facebook's main social networking platform. I think the reason for it is just because of it is Facebook! – the world's most powerful magnet which brings all people together."

AFG: Supporting the Tradition of Philanthropy

INVESTOR.GE SPOKE WITH LENA KILADZE, AMERICAN FRIENDS IN GEORGIA'S EXECUTIVE DIRECTOR-GEORGIA, ABOUT THE CHARITY'S ACCOMPLISHMENTS IN 2017 AND ITS PLANS FOR THE MONEY IT RAISES DURING ITS ANNUAL GALA, WHICH WILL BE HELD ON DECEMBER 9.

The American Friends of Georgia - AFG - has been helping children and other vulnerable citizens of Georgia since 1994.

For the past several years, it has funded its innovative and effective projects and programs by holding an annual charity gala.

The event is more than an evening out - and more than just a fundraiser, Lena Kiladze told *Investor.ge*.

"The Gala is continuing a tradition of promoting philanthropy in Georgia to benefit the most needy children and elderly in Georgia. AFG's annual Charity Gala brings together different groups of people around a project—corporations, embassies, associations, citizens, well-known artists, musicians—and demonstrates that Only Together Can We Make A Difference. The contribution and participation of leading, successful Georgian corporations turn into long term partnership that is very important for developing and strengthening civic society and solving social problems in Georgia," she said.

The annual gala and other fundraising efforts have allowed AFG to help parts of the community that are often ignored, Kiladze noted.

"In general, AFG's biggest achievement has been to promotion the tradition of philanthropy and corporate social responsibility, introducing palliative care to the country of Georgia, raising awareness of young generation in voluntary activities, need of cultural heritage preservation, assisting and helping the issues that were less assisted and less paid attention by all other donors and the state," she said.

Last year, the gala raised $90,000, funds that were used to help the elderly and many others.

AFG's Christmas Charity Gala will be held on December 9, 2017, at the Biltmore Hotel in Tbilisi.

Thanks in part to the money AFG earned last year, it has been able to continue important work with children in need, as well as other beneficiaries.

Kiladze said AFG continued several projects and programs from 2016, including:

- Youth Platform (social and cultural programs)—for children to learn about cultural preservation and volunteerism in AFG's projects
- Dzegvi Shelter Community—began reconstruction of a building in Dzegvi where disabled adults, homeless elderly and single mother and their children live
- Bediani Children's Village—for former street and abandoned children
- Higher Education Scholarship Fund—university education for former street children
- Hospice and Home Care Program—nursing care for ill and poor elderly in their homes and in a small hospice
- Together for Real Changes—advocacy and day centers for parents of disabled children
- Children with Leukemia in Hematology/Oncology Center—contributed equipment to the new molecular lab in the Iashvili Children's Hospital and art supplies for their rehabilitation program
- Eco Summer Camp—ecological/environmental program and holiday for children in Tbilisi whose parents are unable to take them out of the city
- Cultural Preservation Program—raising awareness about the importance of preserving culture
- First Step Georgia Day Care Center—for disabled children
- C.O.A.T.S.—AFG participates in this program, providing warm clothing to children from our projects in Nikozi, Bediani and Dzegvi

She added that AFG started a new project in 2017, the Zaza Pachulia Basketball Academy, which benefited 600 children from all over Georgia.

AFG was also able to start an emergency medical fund, which financed a life-saving kidney transplant in Belarus for a Georgian male and provided assistance to a Georgian woman who is undergoing an experimental treatment at NIH in Maryland, United States.

The funds raised at this year's gala will be used primarily for two focus projects, Kiladze said.

AFG is working to complete the reconstruction of Dzegvi Shelter Community building, which she said will enable the charity to start running rehabilitation and educational programs, as well as start small social entrepreneur projects.

The funds raised will also be used to fund another year of the Hospice and Palliative Home Care Program in Tbilisi providing care for the elderly.

Kiladze noted that raising funds to finish the Dzegvi Shelter Community building will be a major accomplishment for 2017.

"The building will not only include residential facilities for inhabitants but will also meet the critical need for additional public spaces for educational and vocational training, medical care, art therapy, and a children's gymnasium," she said.

"Those being helped are disabled adults, homeless elderly, and single mothers with their children," she said.

AMCHAM HOSTS LUNCH WITH U.S. TRADE DELEGATION

AMCHAM GEORGIA HOSTED PARTICIPANTS OF THE CERTIFIED U.S. TRADE MISSION TO GEORGIA AT A LUNCH RECEPTION AT TBILISI MARRIOTT HOTEL ON OCTOBER 20. AMCHAM GEORGIA PRESIDENT MICHAEL COWGILL GREETED THE GUESTS AND INTRODUCED COMPANIES FROM THE MISSION. GUESTS HAD AN OPPORTUNITY TO INTRODUCE THEIR COMPANIES TO AMCHAM MEMBERS. MEMBERS AND THE TRADE MISSION REPRESENTATIVES HAD AN OPPORTUNITY TO SHARE EXPERIENCES AND GAIN NEW CONTACTS.

AGBC's Irine Asatiani and Mamuka Tsereteli

Osman B Akyalcin (Lockheed Martian) and AmCham Georgia President Michael Cowgill

AmCham Georgia Vice President/Treasurer Irakli Baidashvili and Kenneth Angell (OPIC)

Nikola Bertucci (Acrow Bridge), Dwight Nystrom (US Embassy) , AmCham Georgia Board Member Esben Emborg

Chris Jennions (Bechtel), AmCham Georgia President Michael Cowgill

The event was widely attended

Kakha Sharabidze (BLB)

Guests met members of the trade commission

Natia Montgomery (Food TV) and Tika Dugashvili (Food TV)

Daduna Kokhreidze and Nina Tsutarova (Nodia/Urumashvili)

Levan Nikoladze (LPA) and Irene Asatiani (AGBC)

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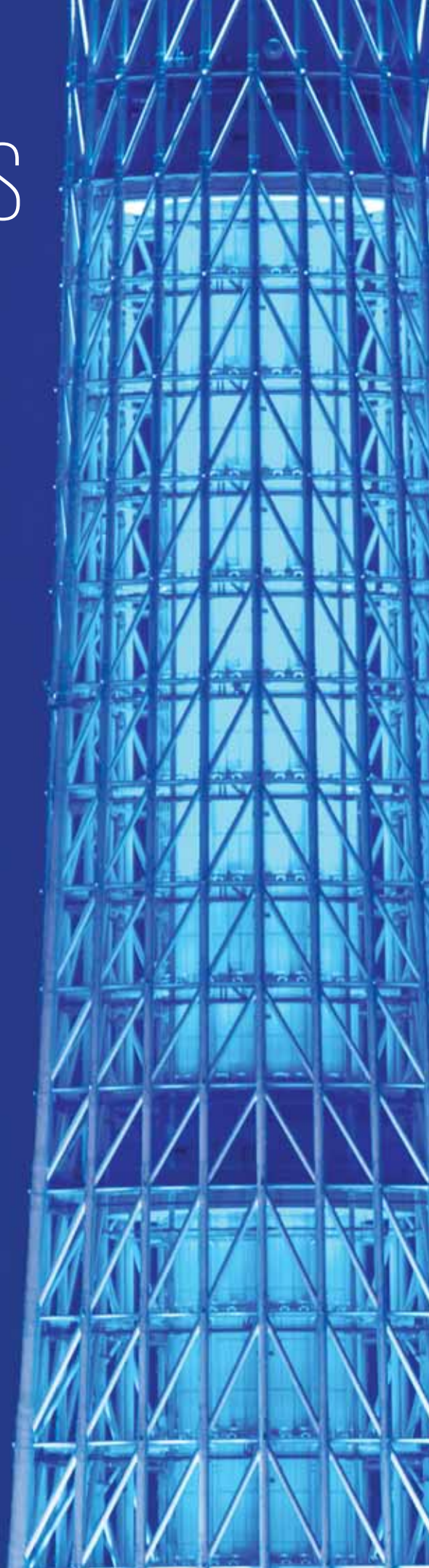

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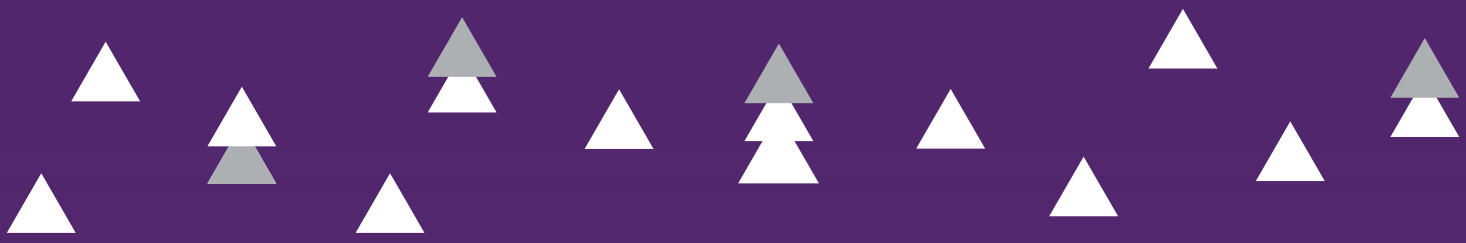
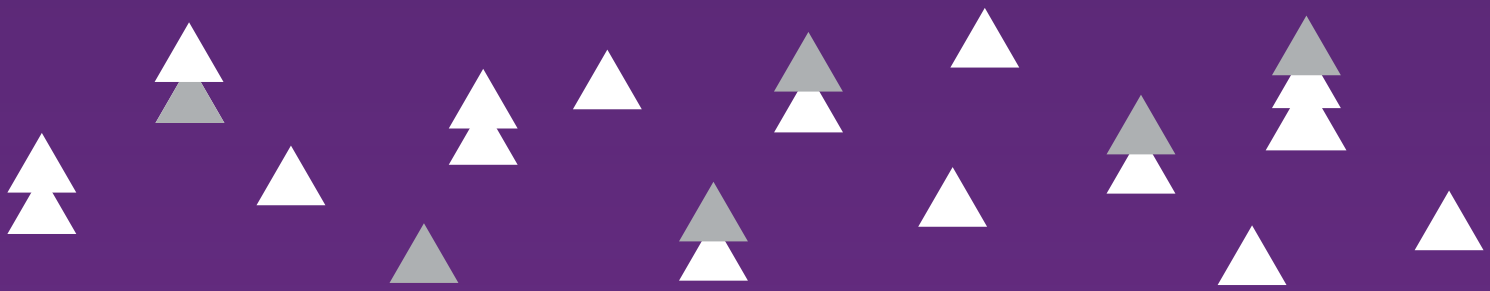


Season's Greetings and Best Wishes for the New Year ▲ გილოცავთ ახალ წელს ▲ Yeni iliniz mübarek ▲ Příjemné prožití svátků ▲ Fijne feestdagen en een gelukkig nieuwjaar ▲ Meilleurs voeux ▲ Frohe Festtage ▲ Kellemes Ünnepeket ▲ Жаца жылыцызбен! ▲ Auguri di Buon Natale e Felice Anno Nuovo ▲ Wesołych Świąt i Szczęśliwego Nowego Roku ▲ Sărbători fericite ▲ С Новым годом! ▲ 恭贺佳节, 新年快乐! ▲ Feliz Navidad y Próspero Año Nuevo ▲ Príjemné prežitie sviatkov ▲ Mutlu Yıllar ▲ Веселих свят! ▲ كل عام و أنتم بخير



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