

What does EU candidate status mean for Georgia's economic development?

Georgia's tourism sector sees 'record revenues' in 2023, sets out plans for 2024

Gateway to development - assessing Georgia's Middle Corridor opportunity

# Investor.ge



A Magazine Of The American Chamber Of Commerce In Georgia

ISSUE 95

FEB.-MAR. 2024

One step  
closer to the EU





# Silk Hospitality Proudly Welcomes New Chief Commercial Officer

In a significant move to strengthen its commercial operations, Silk Hospitality proudly welcomes Kent Cooper as the new Chief Commercial Officer. With over 30 years in the hospitality and entertainment sector, Kent Cooper brings a diverse wealth of expertise to his new role at Silk Hospitality in Georgia.

Kent Cooper's journey in the hospitality sector began with operational, F&B and sales roles with Hyatt, Hilton, and Fairmont Hotels. Moving with Fairmont to the Middle East, he played a pivotal role in the successful opening of The Fairmont Dubai, Fairmont's first hotel outside of North America. Kent's career grew with the brand and ultimately opened 19 hotels across the MEAI Region for FRHI (Fairmont, Raffles, and Swissotel) as Vice President of Sales and Marketing for the region.

Kent's tenure has revolved around creating and maximizing commercial operations for both new-builds and existing properties within the Hospitality and Entertainment sectors. In addition to the 19 hotels, Kent also opened La Perle by Dragone, Dubai's Vegas style Aqua show and most recently opening Dubai's newest iconic landmark – The Museum of the Future.

As the newly appointed Chief Commercial Officer of Silk Hospitality, Kent Cooper will spearhead the company's commercial direction, overseeing sales, marketing, revenue & distribution to

maximize the company's growth and market presence within Georgia and abroad. His responsibilities will extend to manage the newly launched Silk Rewards, marking the first Georgian loyalty program in the hospitality sector.

Expressing his enthusiasm, Kent Cooper stated, "I am thrilled to be part of Silk Hospitality and to join forces with such a seasoned hospitality team as we embark on a period of substantial growth for both the company and Georgia."

## About Silk Hospitality:

Silk Hospitality is a leading hospitality management company renowned for its management of a diverse portfolio of 20 properties across travel, leisure and entertainment sectors including four strategically located hotels in Tbilisi, Batumi, and Kakheti. Committed to excellence and innovation, the company continues to play a pivotal role in shaping the hospitality landscape in Georgia and the region.

*"I am delighted to welcome Kent Cooper as part of the Silk Hospitality team as we initiate many new and significant projects. Moving forward, Kent will focus on the commercial growth of all projects undertaken by the company. He will contribute significantly to the commercial advancement of all managed projects."* - Jordi Kuijt, CEO, Silk Hospitality



# THE QUALITY MAKES ~~X~~ DIFFERENCE

The unparalleled and uncompromised quality of our legal work is what has made the difference to our clients in their day-to-day operations in the past quarter century



## CONTENT



12

## 8. Investment News

12. One step closer to Europe – what does EU candidate status mean for Georgia's economic development?

16. BLC: Do FIDIC contracts work in Georgia?



18

18. Gateway to development - assessing Georgia's Middle Corridor opportunity

24. Georgia's rail revival - investment interest grows as country seeks to become a transport hub



27

27. Sectoral spotlight: Georgia's tourism sector sees 'record revenues' in 2023, sets out plans for 2024

28. Crafting khanjalis – Georgia's traditional dagger finds new favor abroad



36

34. TBC Capital's macroeconomic outlook: '2024 to be the year of normalized trends'

36. A tough nut to crack - how is Georgia's nut industry developing?

42. AmCham News

# THE BEST CLOUD PLATFORM FOR BUSINESS IN GEORGIA

- UGT Cloud Datacenter with high-level Protection and Reliability
- Microsoft Authorized Cloud Provider (SPLA)
- VMware Authorized Cloud Provider (VCPP)
- ISO / IEC 27001 Certificate for Information Security Management
- ISO / IEC 20000 Certificate for SLA and IT Service Management



# THE FIRST GEORGIAN-CHINESE **ELECTRIC CAR**

New StartUp for Caucasus Market

We are looking for investors



## **SENA E400**

### **NEDC 420KM**



## **OUR SHOWROOMS**

☎ 0322 55 10 50  
+995 577 21 15 10

📍 #226 Aghmashenebeli Alley  
0131 Tbilisi, Georgia

☎ 032 225 71 75  
+995 577 21 15 12

📍 #20 Tskneti Highway  
Tbilisi, Georgia

🌐 [www.senamotors.ge](http://www.senamotors.ge)  
[www.senaautogroup.com](http://www.senaautogroup.com)

📘 [www.facebook.com/Senamotors.ge](https://www.facebook.com/Senamotors.ge)

# boxette

ART OF SHIPPING



- **WAREHOUSING & ORDER FULFILLMENT SERVICES FOR ONLINE SELLERS IN THE USA- BOOST YOUR SALES ON**  
**amazon , ebay , Etsy & MORE!**
- **SHIPMENTS FROM USA TO GEORGIA - 4-6 DAYS TRANSIT TIME**
- **DOOR TO DOOR GLOBAL DELIVERY FROM GEORGIA LOW PRICES, FAST DELIVERY**
- **SMOOTH CUSTOMS CLEARANCE IN THE USA**

**WWW.BOXETTE.COM**



# Investment News

*Investor.ge* provides a brief update on investments and changes in government policy that could impact the business environment. Information in this issue was taken from *Agenda.ge* and other sources.

## World Bank projects 4.8% economic growth for Georgia in 2024

The Georgian economy is projected to grow 4.8% in 2024, according to the latest edition of the World Bank's Global Economic Prospects report, published on January 10. The report says growth is expected to ease this year, reflecting a projected slowdown among trading partners of Georgia as well as further reductions in money transfer inflows.

"Monetary policy is expected to be eased to support economic growth while remaining prudent," it notes. It also highlights that Georgia's 6.5% economic growth in 2023 was higher than expected thanks to a "rebound in private consumption coupled with continued recovery in tourism, which helped offset a decline in money transfer inflows."

The report also projects that inflation is expected to be below its 3% target rate at the end of this year after declining "sharply" in 2023, driven by lower commodity prices (particularly for food and fuel) along with a strong Georgian lari.

## Georgia's mountain resorts host international ski competitions

The International Ski and Snowboard Federation's Moguls World Cup competition kicked off in Bakuriani on December 22, marking the first of several competitions slated to be held at Georgian ski resorts during the 2023-2024 ski season. The tournament was broadcasted live in 17 countries and featured 90 athletes from 16 countries.

During the 2024 winter season, stages of the World Cup will also be hosted in the Georgian resort of Gudauri for snowboard cross between February 3-4, and the ski cross event will run in Bakuriani between February 10-11.

## Standard & Poor's affirms Georgia at BB/B with stable outlook

Standard & Poor's Global Ratings has affirmed Georgia's long and short-term foreign and local currency sovereign credit ratings at 'BB/B' with a stable outlook. The S&P positively assessed the







country's progress achieved in economic growth and fiscal consolidation and noted that it expects the trend to continue in 2024, the Georgian Ministry of Finance reported on February 10.

In its assessment, the ministry quoted the S&P as saying the parameters of the budget planned for 2024 indicated "a high level" of fiscal discipline, emphasizing that low levels of government debt were "a strength of the rating." It also positively evaluated the achievement of European Union candidate status by Georgia in December 2023 and said it expected that this development would further encourage reforms in the country.

This follows a January assessment by Fitch Ratings, which affirmed Georgia's long-term foreign-currency issuer default rating at 'BB' and assessed the financial outlook for the country as "positive."

## **National bank reduces refinancing rate to 9%**

The National Bank of Georgia (NBG) on January 31 said it was continuing its exit from a tight monetary policy by re-

ducing the refinancing rate by 50 basis points down to 9% in light of the "low inflationary environment."

Acting Governor of the National Bank Natia Turnava noted at a press conference that the body had begun reducing its strict monetary policy in May of last year. "Since then, the monetary policy has been reduced by 2%, although we still have one of the highest rates in the wider region," Turnava told the press. In its decision, the NBG attributed low inflation to both domestic and external factors, including tight monetary policy and lower inflation expectations that it said had led to a downward trajectory of prices for domestically produced goods.

In its assessment, the central bank projected economic activity in 2024 will "gradually normalize" in line with the growth rate of GDP, which it estimates will be around 5%. The body noted the granting of the European Union candidate status for Georgia in December had "visibly reduced" the sovereign risk premium, which could result in a lower neutral policy rate. However, it warned that inflationary risks caused by the on-

going "acute geopolitical environment" will continue to create uncertainty in shipping costs, a trend that it plans to continue monitoring closely.

## **Enterprise Georgia launches program to support capital market development**

Enterprise Georgia, the state agency that promotes entrepreneurship, investment, and exports, on February 12 announced the launch of its Capital Market Support Program, which aims to improve access to finance for domestic enterprises. The program, implemented together with the USAID Financial Innovation Program, will promote capital market development and stimulate the issuance of securities.

CEO of Enterprise Georgia Mikheil Khidureli discussed the new program at a working meeting with representatives of the Ministry of Economy and brokerage companies. Khidureli said the agency was moving to a "new stage" by offering the program, which will feature two components: co-financing and technical support. Co-financing will help offset ►►

- the costs of credit rating and successful placement fees, while technical support will offer training and the financing of consulting services. The program plans to support 15 companies and assist them in issuing bonds in 2024. The agency's head added that it plans to implement "a number of measures" to contribute to the development of "alternative financing mechanisms" as part of efforts to develop the country's capital market.

## IFC report: renewables, transport and logistics, digital transformation will be key sectors for Georgia's growth

A new report published at the end of December by the International Finance Corporation (IFC) identified renewables, transport and logistics, and digital transformation as key sectors to boost Georgia's private sector-led growth and help the country reach high-income status.

The IFC's Vice President for Europe, Latin America, and the Caribbean Alfonso Garcia Mora said reforms in these key sectors could help the country realize its renewable energy potential, increase its participation in global value chains, and drive productivity. "Attracting private sector investment would be key, and the IFC is ready to underpin these efforts," he said.

World Bank Regional Director for the South Caucasus Rolande Pryce said Georgia had the potential to "further unleash" private sector development. "As the report shows, this could be achieved by increasing the enforcement and predictability of laws and regulations as well as by supporting connectivity and logistics, digital transformation, and green investments as catalyzers of growth," she said.

Here are the key sectors identified by the *Georgia Country Private Sector Diagnostic* report:

**Renewable energy.** The report says Georgia boasts a substantial renewable



Source: United Airports of Georgia.

energy potential of 18 gigawatts (with less than 20% currently harnessed) and says the country would benefit from clear and reliable policy as well as a regulatory and permitting framework and sustainable incentive schemes to tap into this potential.

**Transport and logistics.** To accomplish the goal of becoming a regional logistics hub, the report suggests Georgia expand the capacity of seaports, strengthen information flows and data accessibility, and improve the reliability of railroad operations, among others. "Enhancing connectivity along the Middle Corridor [a multimodal transport corridor connecting China to Europe through the South Caucasus] would facilitate the integration of Georgia into the global economy," it notes.

**Digital business.** The report names e-commerce and financial technology among the "most promising" digital sub-sectors, suggesting the country foster programming skills and address challenges related to technology and early-stage finance.

## Kutaisi airport continues trend of rising flight, passenger numbers

Western Georgia's Kutaisi International Airport served 151,939 passengers

in January, a 78% increase compared to the same month in 2023, the United Airports of Georgia announced in February. The number of flights operated from the airport throughout the month also increased by 66% YoY, with the facility serving 486 flights in January.

This strong start to 2024 comes on the back of a record 2023 performance for the airport. The Western Georgian aviation hub, which currently operates flights to 39 destinations in 20 countries, served 1.6 million passengers in 2023, a 103% increase compared to 2022. It also operated more than 5,000 flights throughout 2023, a 57% increase compared to the previous year.

The airport announced that in December, the Hungarian budget airline Wizz Air stationed its fourth passenger jet at the facility and resumed direct flights to the Danish capital of Copenhagen.

## Residential property price index up 2.9% in Q4 2023

The residential property price index, which measures the price evolution for residential spaces, increased by 2.9% YoY in the fourth quarter of 2023, the National Statistics Office announced on January 23. The annual increase amounted to

12.8%, Geostat added.

The index covers the market for new residential properties in the capital city of Tbilisi, for both flats and house segments. In the reporting period, a price increase compared to the previous quarter was registered both in flats (+2.5%) and houses (+4.3%), while prices increased by 14.1% annually for flats and 8.6% annually for houses.

## E-commerce law becomes fully operational in Georgia

The law for regulating the rights and obligations of intermediary service providers in the e-commerce sector and protecting consumers by making information services more transparent and standardized fully entered into force in Georgia at the start of 2024, the Georgian Competition and Consumer Agency announced.

On January 15, the agency released a statement noting that legal entities and individuals now have the right to submit complaints to the body on alleged violations of the legislation. The primary goal of the law is to protect the rights of trading platforms during electronic commerce and define the rights and duties of intermediary service providers. Unlike the Law on the Protection of Consumer Rights, the Law on Electronic Commerce

will govern cases for both legal entities and individuals.

## Hundreds of influencers to visit Georgia for Traverse Digital Conference

About 200 influencers from the United Kingdom, the United States, Germany, Poland, Spain and other countries visited Tbilisi for the ninth edition of the Traverse Digital Conference, held from January 30 until February 10 and hosted for the first time in Georgia. The influencers visited the capital city of Tbilisi, the highland town of Mestia, the ski resort of Gudauri, and other places to explore winter destinations, tourist products, cuisine, and wine.

The event was hosted by the Traverse Network, a digital influencer marketing and events agency based in London, which is composed of tens of thousands of digital influencers and content creators including bloggers, YouTubers, Instagrammers, podcasters, videographers, and photographers. The conference featured BBC presenter Gavin Ramjaun, Instagram blogger Rich McCorry, and other influencers with millions of followers on social networks as speakers.

"They will visit Georgia [and] learn about tourist products. I think this conference will be very successful, and later

we will be able to follow what the influencers write about the country on international media platforms," said Head of the Georgian National Tourism Administration Maia Omiadze.

## Remittances up from EU and U.S., down from Russia

Remittances to Georgia increased from the United States and European Union in November and were down by 76% from Russia, the National Bank of Georgia said in its latest update of the figures.

Remittances from Russia decreased YoY to \$75.3 million, while remittances from the U.S. continued to grow by 42%. Among countries in the EU, remittances from Italy equaled \$42.8 million (+20% YoY), Germany equaled \$20.3 million (+32% YoY), and Greece equaled \$20.1 million (+8% YoY), constituting "significant" contributions to the total amount, the NBG said.

The body noted that money transfers from Kazakhstan had also increased "significantly" YoY, marking a 71% rise in November, but were down from Kyrgyzstan (-86% YoY) and Azerbaijan (-18% YoY).

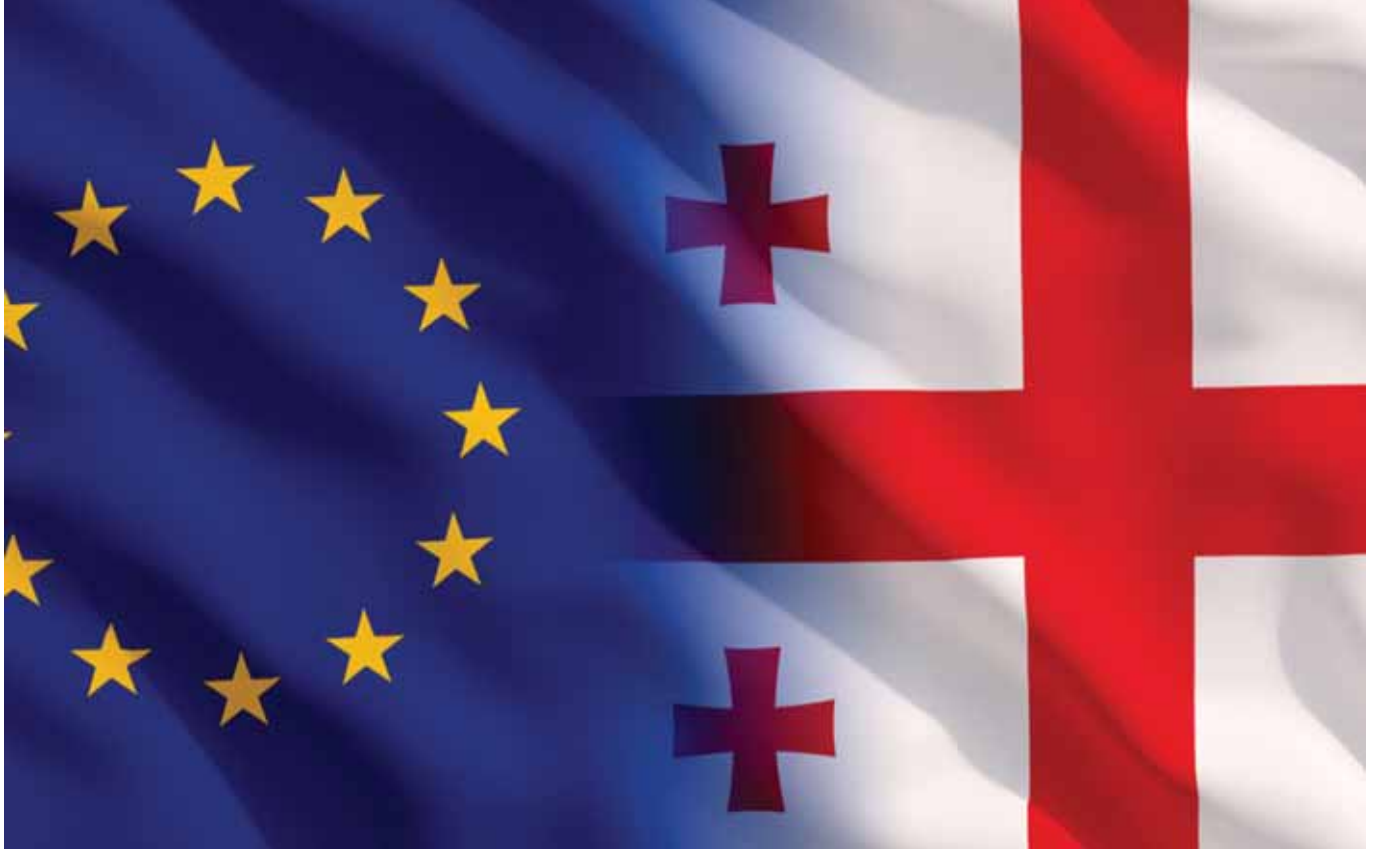
Overall, Georgian citizens received \$292.7 million sent from abroad in November, with the figure marking a 43.8% decrease compared to November 2022. In the same month, remittances leaving Georgia totaled \$31.3 million.

## External trade down 14.9% in January

External trade (excluding non-declared trade) for Georgia amounted to \$1.3 billion in January 2024, 14.9% lower YoY, shows preliminary data released by Geostat in February. The value of exports decreased by 26.3% to \$338.2 million, while the value of imports decreased by 10.2% and amounted to \$1 billion. The trade deficit was \$663.4 million, and its share in trade turnover constituted 49.5%. ■







# One step closer to Europe

## What does EU candidate status mean for Georgia's economy and the private sector?

GEORGE WELTON

**O**n December 14, 2023, the European Council granted Georgia EU candidate status. The response in Georgia and among the country's many supporters has been unequivocal. The Georgian government, opposition, and civil society groups all hailed this decision as a "historic day" and a significant step forward in Georgia's aspirations to become an EU member state.

Business leaders were also quick to weigh-in with overwhelming support. In a letter to members following the December decision, AmCham President Irakli Baidashvili wrote, "this clearly reflects the EU's faith that the Georgian people will always be natural members of the European family." Many other groups ex-

pressed similar sentiments. The Investor Council, as well as a group of businesses, led by the European Georgian Business Council, signed letters of strong support for EU integration.

The decision is clearly in line with the country's aspirations. In a recent IRI poll, 89% of Georgians reported that they support EU membership, which is the highest that support has been for many years. It has also been reflected in large public demonstrations of support for membership that took place across the country in 2023.

This is driven by a strong feeling in Georgia and abroad that the country has a natural place in the European family. At the same time, it is hoped – and supported by a large body of evidence – that economic integration with the EU will also be a major driver for economic growth

and prosperity.

### **Economic impact**

EU membership for Georgia would clearly be a game-changer. The EU market has around 450 million people and a GDP of \$19.4 trillion, second only to the U.S. in terms of global markets. Georgia's population is slightly more than 100 times smaller, and Georgia's GDP is about 1,000 times smaller – so, even modest success in a niche EU market space has major potential upsides. This will be even more so if EU countries start to integrate Georgia into their supply chains; then, the upside for investment, jobs, and economic growth generally could be limitless.

This is not only obvious from first principles but is evidenced by the examples of comparable cases. All new mem-



ber states in the EU have seen significant growth in economic output as they have integrated into the bloc's economy. A commonly cited example is the comparison between Poland and Ukraine. At the time of the collapse of the Berlin Wall, per capita income in Poland was slightly below that of Ukraine. However, Poland's path to the EU stimulated far faster growth in the following years. So, while Ukraine's economy fell and then stagnated, enjoying very modest growth, Poland's grew quickly, and by 2020, per capita income in Poland was three times that of Ukraine.

This makes sense because developing countries joining a far larger developed market are likely to be driven to “catch-up” by the logic of income pressures. Eastern European countries joining the EU in the early 2000s had far lower per capita GDP than the European average. As a result, they were cheaper locations for

certain kinds of investment. Germany, for example, was able to move parts of its manufacturing industry to Poland, gaining efficiencies for its nascent business while keeping a supply-chain partner nearby. This drove up efficiency overall and pushed up Polish manufacturing wages. Similarly, Georgia could become a location for relatively labor-intensive parts of the EU's supply chain, increasing Georgia's employment and salaries in the process.

However, when are these likely benefits going to start? And what are the mechanisms through which we will see their effect?

Prior to the European Council's decision in December, AmCham and TBC Capital co-hosted an event to discuss Georgia's aspirations and its likely impact. Recent EU expansion consisted of 13 countries that have joined the EU since 2000 (mostly in 2004). TBC Capital com-

pared the experience of all 13 countries and saw some notable trends.

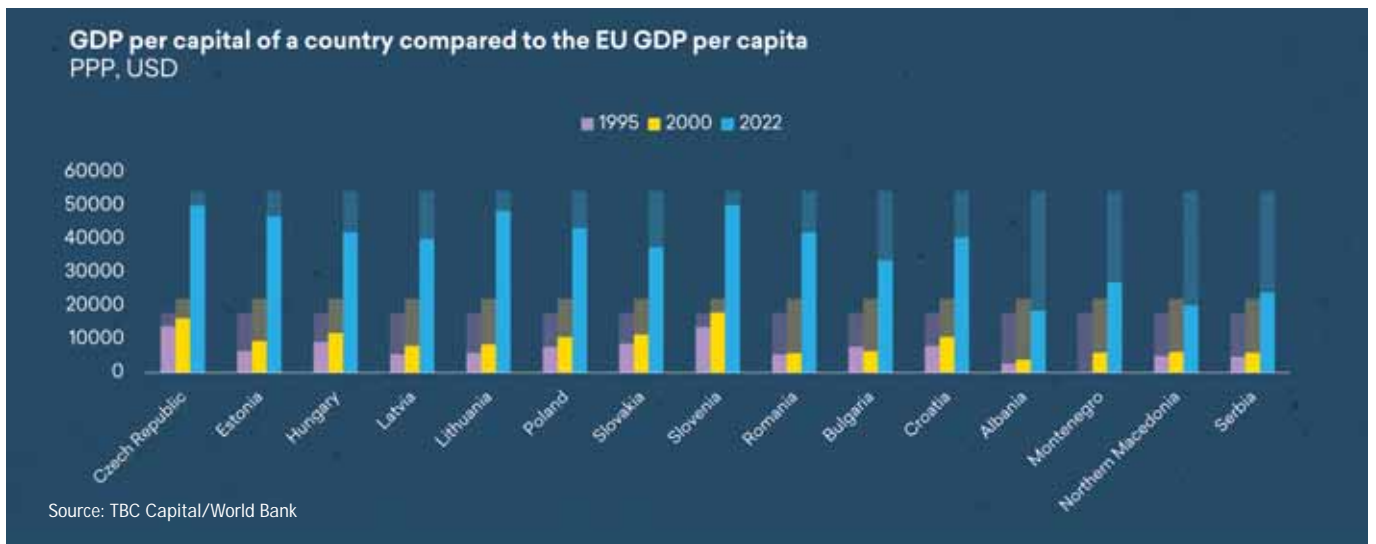
First, the average period between candidate status being conferred and EU membership was six years. This seems to suggest that if there is sufficient determination to join, countries can move fairly quickly through the accession process. In addition, Georgia's Association Agreement with the EU came into effect in 2016 and began the process of aligning the country's technical internal requirements with the EU. And, even prior to that, Georgia was an acknowledged global reformer, particularly on pro-business issues. So, Georgia has more than 20 years of reforms to build on. It is not starting from scratch.

TBC Capital's research also found that considerable economic growth “catch-up” happened in candidate countries during the accession process, continuing once the countries were accepted into the EU. ►►

# Duration of becoming a member of the EU by stages



Source: TBC Capital/Pew Research Center



- There are several reasons why it makes sense that countries might see benefits even before they gain full membership.

Most directly, in the accession years, there may be pools of subsidized financing that become available. An Instrument for Pre-Accession Assistance (IPA), which provides funds from the EU to support reforms, may come available in the coming years, and Georgia may also be able to access other bilateral as well as multilateral EU sources across sectors.

Perhaps more importantly, however, could be the impact on reform and on business confidence. For a start, the accession process is generally a strong

driver of economic reform. The EU alignment process in Georgia has been ongoing for many years, but the opening of negotiations will be a huge driver for more change as the government will have to prove that it is already aligned with the EU in significant commercial areas like production and safety standards, corporate governance, and capital markets.

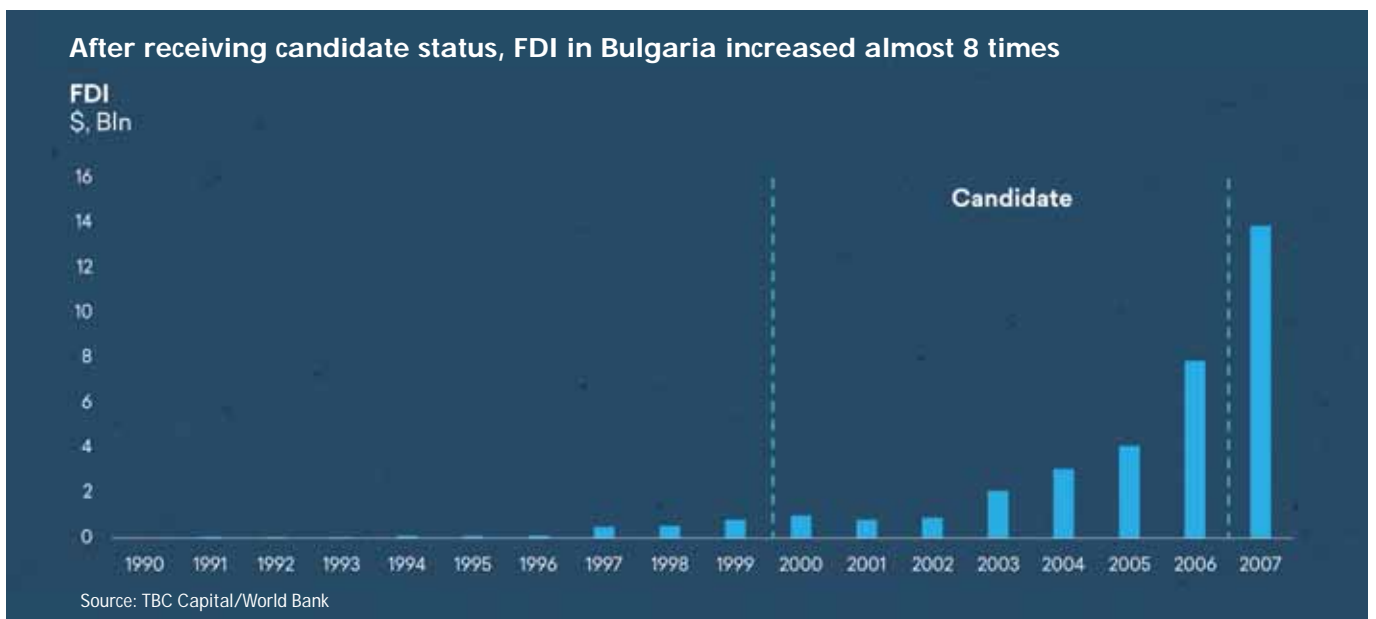
EU candidate status could also bring with it a general increase in business confidence and increase Georgia's visibility as an investable location, particularly if it is perceived that EU membership is likely imminent. TBC Capital examined the case of Bulgaria, for exam-

ple, and found that during its accession period, growth in exports and FDI started as soon as they achieved candidate status and accelerated as they approached full accession.

Business reforms, improved FDI, and a general sense of positive forward movement could, in this way, become self-reinforcing. Again, in the case of Bulgaria, confidence was reflected in other market indicators like an improving S&P credit rating and a corresponding drop in long-term treasury bond rates.

## Enthusiasm from the private sector

It is therefore easy to see why so many



companies are enthusiastic about the prospect of EU membership. Of course, many businesspeople, as Georgian patriots, are simply keen to see Georgia take its rightful place as part of the European family. However, there are also clear economic upsides.

Zurab Eristavi, founder of the real estate brokerage Eristavi Estates, talking just before the decision, highlighted the way in which expectations alone can boost the economy:

“With the anticipated positive recommendation, we’re expecting an upbeat sentiment, which invariably influences real estate prices favorably. While it’s challenging to predict the exact scale of the price increase, the mere expectation can lead to significant outcomes. We’re looking at a possible 10% to 15% rise.”

In tourism, CEO of Rooms Hotels Valeri Chekheria highlights the importance of standards and training to take advantage of the opportunity. “EU candidate status creates an incredible chance for Georgia to grow its tourism sector and the economy,” he explains. “This will happen through increased standards

and will need the support of experienced companies to train their staff and improve their service offerings. These improvements will help to encourage other developments, like an increase in the number of direct flights from the EU, which should further stimulate growth.”

Georgia’s winemakers and sellers also see considerable opportunities and upside to candidate status and eventual EU membership. Irakli Chkhaidze, founder of 8000 Vintages, which already has a Georgian wine shop in Berlin, says, “The ongoing facilitation of paperwork under the EU/Georgia Agreement is already evident, and our experience in Berlin underscores the growing interest in Georgian wine across Europe. As integration progresses, we anticipate heightened attention from both clientele and investors, facilitated by streamlined processes and heightened awareness.”

CEO of wine producer Mosmieri Joerg Mathies emphasizes the domestic market benefits. As he says, “The Georgian economy as a whole will benefit much more from candidate status, and as incomes rise, so will demand for better and more expensive wines in the domestic

market.”


But, traditional markets may underestimate the scale of the opportunity presented by the EU. The company Georgian Products, which predominantly sells pet furniture, is a prime example of an export-oriented company that developed an unusual niche in the European market and now sells over a 100 products across the continent. With total exports of \$22 million in 2022, the value of the company’s exports to the EU rivaled those of Georgia’s entire wine sector.

Similar opportunities exist in a wide range of areas, and it is often difficult to predict where exactly new opportunities may present themselves. While there is a long-standing track record of growth in exports to the EU across agribusiness, particularly in nuts and wine as well as apparel (particularly fast fashion), there are other nascent growth trends to keep an eye on – from kids clothes to toys to high-end processed foods and pharmaceuticals.

Of course, a lot still has to happen to make these opportunities into reality. But it is clear that it can be done, and 2024 could be the breakout year! ■



# Do FIDIC contracts work in GEORGIA?



With the growth of state and private infrastructure projects, FIDIC contracts are becoming increasingly popular in Georgia. The use of FIDIC contracts has also been actively promoted by international financial institutions like the World Bank in the implementation of infrastructure projects in Georgia. The use of FIDIC contracts, which has become an internationally recognized and widely used practice, offers rigorous standards and enhanced clarity in construction projects. However, the legal ecosystem of a particular state is extremely important for the proper operation of any contract, and FIDIC contracts are no exception. This article explores the increased use of FIDIC contracts in Georgia and related challenges stemming from potential conflicts in Georgian law and legal practices.

## What is a FIDIC Contract?

The Fédération Internationale des Ingénieurs - Conseils (FIDIC) was founded in 1913 by consulting engineers and has developed standard contract forms for various types

of construction works and services, presenting diverse models for the implementation of these projects.

Developing over 50 years as the international standard for the construction industry, FIDIC contracts have gained widespread acceptance due to their well-balanced risk allocation and the equitable distribution of roles and responsibilities between the client (employer) and the service provider (contractor). This has contributed to their active use in the global construction market.

One of the key features of FIDIC contracts is that it introduces the role of an engineer - an impartial professional who serves as a contract administrator. The engineer takes on the duties of the technical and contractual supervision and management of a contract. This makes FIDIC contracts an attractive choice, particularly for non-professional employers. It is noteworthy that in this type of contract, the engineer plays a pivotal role in a three-tier dispute resolution



process. The engineer's decisions constitute the initial step for resolving disputes between the employer and the contractor, followed by a referral to a dispute board and subsequently, if not resolved, arbitration.

### How often do we see FIDIC Contracts in Georgia?

The Red Book (both the versions released in 1999 and 2017), as well as the Pink Book, which featured revisions of the Red Book by multilateral development banks (MDBs) in 2010, are the most actively used forms of FIDIC contracts in ongoing infrastructure projects in Georgia, forming the basis for works carried out in accordance with designs prepared by an employer.

Many public infrastructure projects in Georgia, including highways and road projects, fiber optic cables, railways, hydropower plants, and water system projects are being implemented under FIDIC contracts, and its well-tested mechanisms are being integrated into Georgian legislation. For instance, on April 27, 2022, the Georgian government issued a decree regarding the incorporation of a price indexation mechanism, which ensures a balance against inflation of pre-agreed components (as proposed by FIDIC, Sub-Clause 13.7, Adjustment for Changes in Cost) in all state infrastructure procurement contracts.

FIDIC contracts are gaining popularity within the private sector as well, with an increasing number of hotels, hospitals, residential complexes and other facilities being constructed under FIDIC contracts, including the Yellow Book form, which serves as the basis for works undertaken according to the contractor's design.

### How does Georgian law come into play?

Despite their wide international usage and acceptance, FIDIC contracts are based on common law, which can sometimes lead to misunderstandings when applied in the civil law context. Given that Georgia is a civil law country, there may be some points of contention between Georgian law and the provisions of FIDIC contracts. It is important to correctly identify such differences when drafting the particular conditions of a contract.

In our experience, disputes often arise concerning matters mandatorily regulated by Georgian legislation. For instance, one of the most disputable matters in FIDIC contracts being implemented in Georgia is the timeframe for submitting a claim. Specifically, Georgian legislation provides that a statutorily established limitation period for initiating a claim cannot be changed by the agreement of the parties. However, it is standard for a FIDIC contract to impose a 28-day limitation period for notifying a claim to the counterparty to be able to claim it later. This controversial issue, together with other matters, is something that needs to be considered during the preparation of particular conditions.

Another critical issue to be noted is the existence of a dispute adjudication board (DAB) as the precondition of applying to arbitration. Georgian judicial practice is erroneously developing towards regarding the arbitration agreement invalid if the contract considers DAB, which is against the general understanding of FIDIC contracts. Even though there has thus far only been one such case in 2021, where this has occurred, the matter is concerning and requires more attention from scholars and field practitioners. This decision has rightly drawn criticism from the construction sector and arbitration experts.

Despite the FIDIC's explicit recommendation against altering their standard contract terms, it is regrettably common in Georgia for some FIDIC contractual terms to be altered. This practice compromises the fundamental principles of FIDIC contracts and disrupts a crucial equilibrium, often resulting in contradictory provisions.

These are just a few examples of conflicts between FIDIC contracts and Georgian legislation and practice. Neglecting the specifics of the local regulatory framework or that of FIDIC contracts during the drafting process can lead to substantial challenges down the line. So, do FIDIC contracts work in Georgia? It is our overwhelming opinion that they certainly do, but only with the assistance of an experienced lawyer who is not only familiar with FIDIC-related specificities but also Georgian law - and has mastered the art of making these two work together.



**Teona Kareli**

Associate



**Lasha  
Uplisashvili**

Partner

FOR MORE INFORMATION AND ADVISE  
PLEASE CONTACT US:

129° David Aghmashenebeli Ave, Tbilisi, 0102, Georgia  
Tel.: +995 32 292 24 91, 292 00 86, 200 04 91  
blc@blc.ge blc.ge



# Gateway to development - assessing Georgia's Middle Corridor opportunity

Escalating hazards on the major Eurasian east-west trade routes are heightening international investment commitments to an alternative that is favorable for the Georgian economy. This is the Middle Corridor, the land and sea freight transport route from China to Europe first mooted in the 1990s but, until recently, considered low priority.

SALLY WHITE

**T**he busiest and fastest Eurasian land route, the Russian-dominated Northern Corridor, has become less attractive in the face of freight insurance challenges following its invasion of Ukraine - a conflict that is showing little indication of ending soon. Additionally, Yemen's Houthi terrorists are

attacking Suez Canal-bound ships on the key east-west sea route through the Red Sea, forcing shippers off a route used by roughly one-third of global container ship cargo. The main remaining option is the long maritime route around Africa.

All this puts the Middle Corridor in focus - a multimodal land and sea transport route from China that transits through Kazakhstan, Uzbekistan, and Turkmeni-

stan and crosses the Caspian Sea through Azerbaijan and Georgia to the Black Sea. The route consists of around 4,250 kilometers of rail lines and 500 kilometers of seaway, then two paths lead to Europe - via Turkey or the Black Sea.

This is the site of many ancient Silk Road routes, but modern political divisions and wars and the greater ease of maritime routes caused most to be abandoned; they were never developed to offer smooth, price competitive trans-continental passage to rival the Northern Corridor. Although traffic along it has been growing - in 2021 there was a 29% increase in container trains - it still carries just a small percentage of total China-EU trade. An efficient Middle Cor-



## The MC among trade corridors connecting Europe and Asia



Source: The World Bank.

ridor could offer, the consultancy German Economic Research Team suggests, a clear advantage in terms of transport time between China and Europe at 13 to 21 days compared to the sea route time of 35 to 45 days.

Yet, says the World Bank, the Middle Corridor's prime contribution to Georgia and its regional neighbors may not be as a trans-continental route, but as the catalyst for driving economic development from the new connections between them as well as the countries it traverses. This was its conclusion after a survey of the major stakeholders.

Money needed to make the necessary improvements to this trans-Eurasian route is vast. In a report for the European Commission (EC), the European Bank for Reconstruction and Development (EBRD) suggested a figure of around €19 billion, and that does not cover the whole. Financing is, however, not the main issue

– this is a key theme of the multitude of publications on the Middle Corridor rushed into print in recent months.

Officials seem unsure whether it is good or bad news that the major challenges are soft issues, such as aligning national visions, coordination of planning, harmonizing standards to ensure interoperability, enhancing the PPP environment, liberalizing markets, and integrating border management. Both the EBRD and the World Bank believe that progress is being made on these issues.

The list of what needs to be done solving bottlenecks, mostly caused by infrastructure deficiencies, is long: at ports, a lack of capacity in shipping, goods-handling infrastructure, and IT; at sea, a shortage of maritime services; and on land, an insufficient modern rolling stock for rails, uncoordinated border crossing points, and unstandardized information technology, resulting in inef-

ficient flows of data between service providers and regulators.

### Adding value

While benefits to Georgia are less than for other countries along the corridor, they could still be substantial. A World Bank report released in November 2023 suggests a range of gains, from increased exports of food products and construction materials to transport fees. By 2030, says the report *Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030*, should the Middle Corridor be operational, Georgia's export tonnage could rise by over 3% as new markets become accessible, along with a gain in demand for higher-added value food products. Georgia could enjoy an increase in the value of exported goods of as much as \$107 a ton overall.

"Georgia stands to gain notably from ►►



► increased exports of prepared foodstuff, especially beverages, mineral waters and wines (particularly as exports to China via the Middle Corridor). Georgia's mineral exports are to grow, notably for construction materials and non-ferrous ores," the report asserts.

Another Middle Corridor development from which Georgia could benefit, says the World Bank, is the growth in "logistic clusters and concentration of specialist activities" as the cargo base of the region (i.e., Georgia, Kazakhstan and Azerbaijan) grows. The building of "agglomeration hubs" will "help foster the development of higher value-added goods," says the World Bank, forecasting a 44% rise in the cargo base between 2021-2030.

Shippers' attempts to shift unprecedented volumes to the Middle Corridor in the immediate aftermath of the Russian invasion threw into stark clarity its current limits. With its numerous border

crossings, container trans-shipments between ships, trains and lorries, and operational inefficiencies, the time taken is threefold that to traverse the Northern Corridor, and is comparable to the cheaper maritime route.

While the Middle Corridor's current technical full operating capacity is yet to be reached, despite a 33% rise in 2022 container traffic (as China rerouted much of its EU-bound traffic), the very high level of transport delays drove shippers back in 2023 to alternative corridors, predominantly to sea routes. Not only do bottlenecks make the Middle Corridor take far longer than the Northern Corridor, mostly due to inadequate Caspian and Black Sea shipping and port capacity, but tariffs are uncompetitive and costs fluctuate. Thus, the gain in container traffic was severely reversed, with the first eight months of 2023 seeing, according to the World Bank, a decrease of 37%. While the likes of international logistic

giants Maersk, Rail Bridge Cargo, and CEVA Logistics initially rushed to the Middle Corridor after Russia's invasion of Ukraine, they have since held back.

## International interest and investments

Fortunately, for the transit countries likely to benefit, the wide appeal of an efficiently functioning Middle Corridor as a land bridge between China and Europe and its geopolitical importance is bringing growing support from the World Bank, the European Union, the EBRD, the Asian Development Bank (ADB), and other multinational development banks.

To international eyes, a major factor is not the boost to trade alone, but the reduction of risks, as achieving an efficient Middle Corridor will require, says the Geopolitical Monitor, "the establishment of strong institutional frameworks, harmonization of trade policies, and the crafting of transnational (and regional)



agreements.”

The extent of global interest in the Middle Corridor was evident in Tbilisi in October of 2023 when 2,000 international delegates attended the Silk Road Forum to discuss the huge array of challenges ahead and the opening of opportunities. As described at the Silk Road Forum, an “economic development corridor” is how the World Bank predominantly sees the Middle Corridor. Governments of the countries along it are very aware of the potential and have already begun to work together. Georgia, Azerbaijan, Kazakhstan, and Turkey signed a “roadmap” in 2022 listing priority investments and actions needed. Last June, an agreement was reached between Georgia, Azerbaijan, and Kazakhstan on the creation of a joint logistics operator, and at the same time, the World Bank, EU, ADB, and other international organizations confirmed their support and interest in providing technical assistance and investments.

Contrary to the “New Silk Route” headlines, the Middle Corridor is likely to “remain mostly a regional corridor, with transcontinental trade representing a small fraction of volumes,” the World Bank states in its report. The reason for this local focus is the “enhanced connectivity for Azerbaijan, Georgia, and Kazakhstan.” The Middle Corridor will always have limited capacity with its many maritime crossings, and intercontinental trade has the option of deep-sea shipping: the deep sea routes through the Suez Canal and around Africa are estimated to carry 80-85% of all EU-China trade volumes.

Nor will the Middle Corridor be able, says the EBRD, to supplant the 10,000 kilometer Northern Corridor, on which the train network has been developed and coordinated over decades to run smoothly and which on average takes 14 days. Even at its 2021 peak, the Middle Corridor was moving less than 10% of traffic

on the Northern Corridor. Also, Russia’s Trans-Siberian railway transits through large Russian and Belarussian industrial and population centers, which add cargo volume and help to defray costs and keep down prices. And it does not have to battle the red tape that hampers the Middle Corridor, with its many borders; the U.S. Foreign Policy Research Institute expects it will be at least five years before the new Road Map eliminates this problem.

## Opportunities and challenges for Georgia

Steady progress is being made on improving infrastructure, although the tally looks small compared to the remaining task. For “hard” investment in Georgia, the UK-US think tank the International Institute of Strategic Studies (IISS) lists the upcoming tender to construct the Anaklia deep sea port, the reconstruction of sections of the Baku-Akhalkalaki-Kars railway, plans for creation of a logistics ►►





The prospects for Georgia within the expanding Middle Corridor are particularly favorable. In 2021, trade from Azerbaijan, Georgia, and Kazakhstan constituted about two-thirds of its flows, and this doubled in 2022. For instance, Kazakhstan and Georgia saw a 45% increase in trade turnover, while Azerbaijan experienced a 72% rise compared to 2019–2021. But export benefits will accrue to Kazakhstan, Azerbaijan, and Georgia, states the World Bank, because the Middle Corridor has “potentially a large role to play in trade route diversification” for them, decreasing their vulnerability and dependence on Russia and China. It should enable a “larger export share to reach Europe as well as new markets in the Middle East, North Africa, and South and Southeast Asia.”

►► and industry park near Poti, and a logistics center in Akhalkalaki. APM Terminals has proposed capacity expansion at Poti Port to help ease congestion, and Georgia has intensified work to finish the new east-west road highway connecting its ports to the Caspian Sea.

Georgia is also reforming the Georgian Railway by raising money for new rolling stock and bringing in a new ownership structure to aid cost and investment funding for expansion and modernization. The country will also continue to develop the Middle Corridor, the IISS notes, by establishing a consistent system for prioritizing investments.

All this is likely, on precedent, to roll out in slow motion; so, to help improve trade flows for Georgia as soon as possible, the World Bank recommends a list of operational actions of “quick wins” - for example, to reform its expensive port services. These include reducing its high port tariffs: for a 1,500 TEU vessel, a sole ship-call in Poti costs \$38,800 (around \$97 per 40-foot box, on average). Altogether for a 40-foot box, it says, crossing the whole port costs \$275 in Poti and \$430 in Batumi, which is “significantly higher than in Aktau or Baku (\$148), or a European or Asian port.”

The World Bank also suggests that

Georgia find ways to ensure predictable final transport services, a feasible transition to electronic documents applicable both to its railway and the Caspian sea, and provide traceability of cargo movement.

A prize for the Middle Corridor would be to gain a greater share of rising trade volumes. Forecasts are for a 30% rise in EU-China trade by 2030, and the IISS notes that “Inter-regional trade between Azerbaijan, Georgia, and Kazakhstan is likewise predicted to increase by 37% by the same year, and trade between these countries and the EU is anticipated to grow by 28%.”

China and the Middle Corridor’s European supporters are strongly in its favor, even if there are divergent views on who should get the infrastructure construction contracts. Russia, on the other hand, has long sought to be the dominant influence in the countries traversed by the Middle Corridor and control trade. Currently it is distracted by events in Ukraine, but should it win decisively, says the IISS, Russia is likely to “direct resources towards disrupting the corridor” to protect the Northern Corridor’s role in transcontinental trade and its regional mastery. So, for the Middle Corridor, much remains predicated on the outcome of the war in Ukraine. ■

**ADVERTISE**  
**your business with**

**Investor.ge**

**Copies of our magazine go to**

- 17 High-end hotels in Tbilisi and Batumi
  - Covering 6000 guests in a month
  - Hand-delivered to 393 rooms
  - 16 lobbies
  - 16 meeting areas
  - 12 receptions
- 150 large international companies
- Cafés, bookshops & supermarkets
- All 74 embassies and diplomatic missions

**[www.investor.ge](http://www.investor.ge)**

**Your potential clients read us!**





# Georgia's rail revival - investment interest grows as country seeks to become a transport hub

Investors are rediscovering Georgian Railways, as the rising price of the train monopoly's Frankfurt stock-market-quoted bond shows. There has been a gain of 10% in the price in the last few weeks, with the bond starting the year at a recent high of \$90.53. A major factor behind this increase is the international publicity being given to the vital place played by Georgian transport and logistics, and particularly Georgian Railway, on the much heralded east-west Eurasia cargo transit Middle Corridor route.

SALLY WHITE

Logistics and transport opportunities are increasing in Georgia as shippers continue to avoid the perils of alternative land and maritime routes: a lack of insurance on the Northern Corridor crossing Russia and Houthi terrorists attacks on Suez Canal-bound traffic in the Red Sea. This is creating a

huge logistical, security, and touristic challenge that is also creating opportunities for startups to contribute.

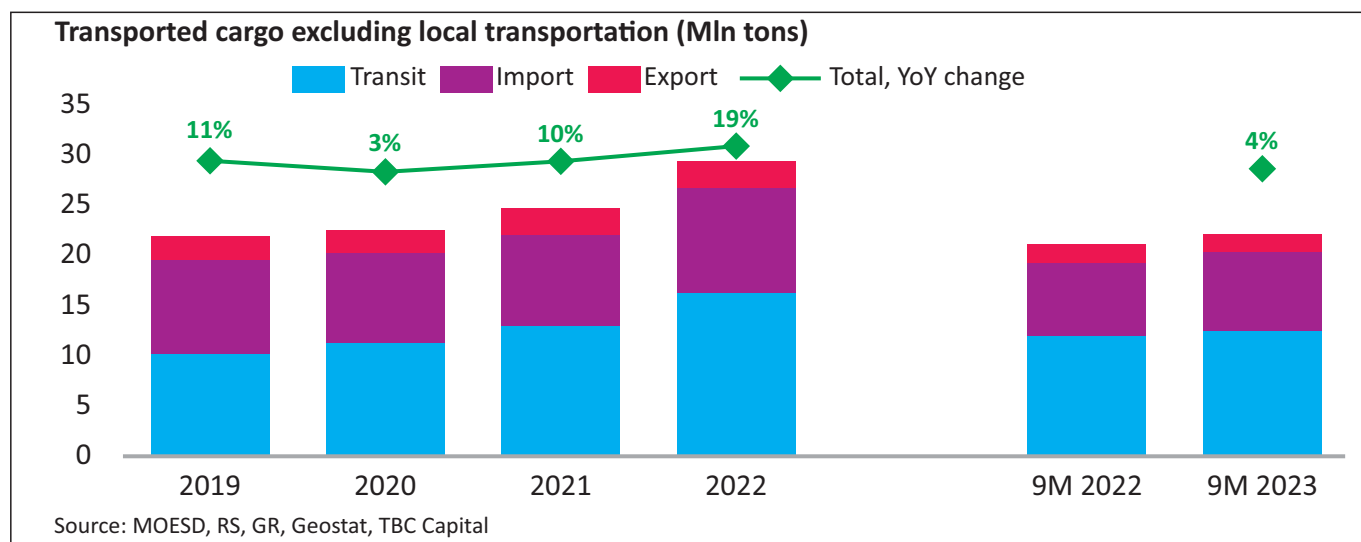
Businesses in these sectors are expanding in Georgia as ongoing domestic economic growth, positive forecasts, and increasing transit trade are creating active markets for warehousing, container lorries, and wagons to service the rising volumes of goods moving through the

country. Georgia's economy could show real growth of around 5% this year after around 7% in 2023, say the international development banks.

Georgia's transport sector is thriving, with the figure for transit cargo volume in the first nine months of 2023 up 4% year-on-year, according to TBC Capital's latest sector report, an *Overview of the Transportation and Logistic Sector in Georgia* (transit accounted for 57% of total cargo traffic volumes in this period). Additionally, on the World Bank Logistics Performance Index, Georgia improved its rating from 119 in 2022 to 79 last year.

Improvements that won Georgia this rating, as listed by TBC Capital, included customs, infrastructure, international shipments, logistics competence, and tracking and tracing. But the scope for further investment and management is





indicated, scoring only around 2.5 on a five-point scale in the World Bank's index. TBC Capital's report also commented that challenges include a "lack of qualified human resources in mainly every level of the logistics chain."

Currently, the majority of Georgian cargo is carried on container lorries rather than by rail, which will change with ongoing government transport reforms. As freight fled from the northern route through Russia, Georgian road cargo growth saw a 22% rise in 2022 and a further 14% increase in the first nine months of 2023. Containers in Georgian ports and terminals rose by 65% in 2022, following a few cuts in tariff rates, and last year overall rose a further 15%. Less encouraging were the nine-month ports and terminals freight figures, with an 8% fall. But air freight reversed recent declines and posted a 7% gain.

That overall 4% transit cargo rise was impressive as the recent pattern of movements has been uneven. In 2021 and early 2022 growth was particularly strong. Sanctions and lack of insurance drove shippers to switch their EU-China consignments away from the northern routes through Russia, after the invasion of Ukraine, to the Middle Corridor and maritime routes. But then, on finding that the multi-frontier Middle Corridor route was not coordinated, was dogged

by bottlenecks at ports and borders and was expensive, they started to cut back on trans-shipments. However, TBC Capital states that despite this, 2022 transit demand overall was still up by 19%.

The scope for entrepreneurs can be seen throughout TBC Capital's report as the transport and logistic sector's growth trend continues. For example, the automotive fleet responsible for transport cargo "remains fairly outdated," with the average age of trucks being over 26 years and wagons around 22 years old, even though there was a 6% YoY rise in Georgia for registered trucks (and a 12.9% increase in wagons).

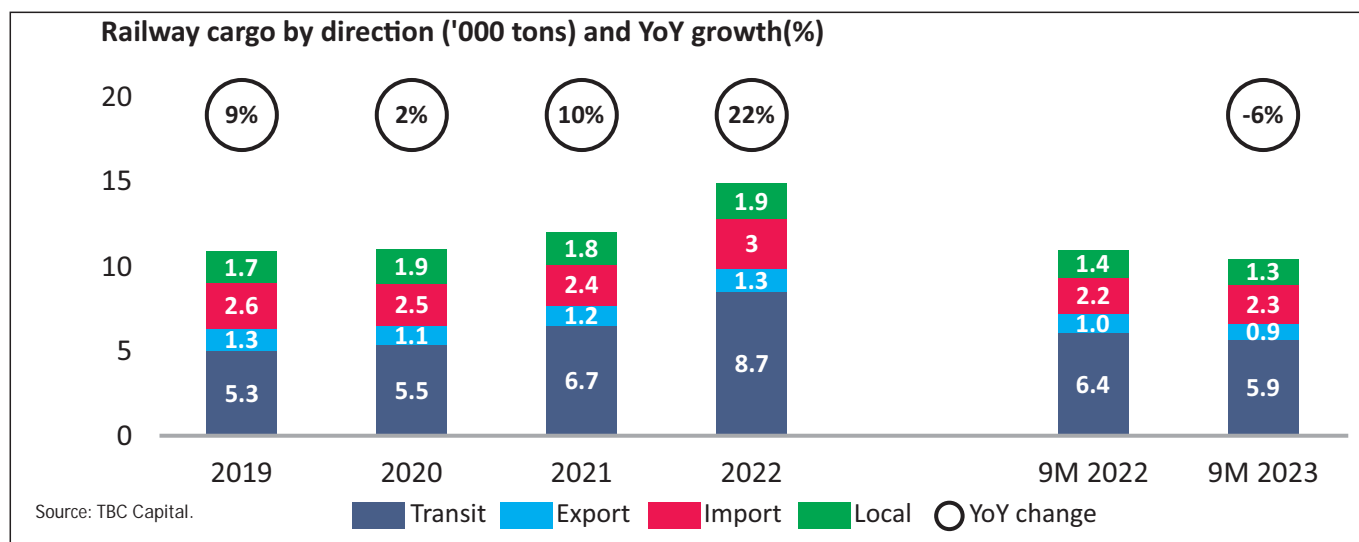
In the warehouse sector, where activity was hectic, with a 161% increase in listings for rent last September and a three-fold rise in those for sale, entrepreneurs also saw opportunities. Occupancy rates reached nearly 100% in 2022. But the report notes that the "market for warehouses is mainly unorganized, comprising many players ... and there is a lack of third-party providers who offer full logistic services, including inventory management, warehousing, and customs documentation."

Actual prices for rental and sales were higher than on listings and were volatile: the actual average rental asking price for Tbilisi warehousing was up 61% in September last year from one

year earlier. The sector responded by increasing supply and Tbilisi construction numbers rose by 42% in 2022, mostly for large scale warehousing. Building applications for Tbilisi diminished in 2023, but the upcoming new regulation restricting the movement of large vehicles in the city during peak hours is expected to lead to warehousing development at the outskirts of the city. Another change is that cold storage warehouse numbers showed a gain in volumes stored in owner-occupied facilities – at 36% last year compared to 2022's 27% – as against rented ones.

## Modernizing Georgia's railway

However, as far as international investors are concerned, the most important changes in the Georgian transport sector are on the railway, where projects are in place to modernize Georgian Railway's infrastructure; increase its capacity, speed, and safety; and raise its competitiveness for land cargo routes. The aim is to "de-bottleneck" it in order to maximize benefits from its part on the Middle Corridor Eurasian transit route. Given the choice and competitive pricing, international carriers prefer rail to road on the grounds of costs (lower fuel and driver costs), higher load volume capacity, reliability (standardized sched- ►►



► ules), and environmental friendliness.

Modernization of the railway has been in progress for several years now, with some of the major infrastructure work, such as the construction of a nine-kilometer tunnel at the Rikoti Pass, already completed. General Director of Georgian Railway David Peradze spoke at the opening ceremony of a target increase in rail capacity from 27 million to 50 million tons. This will also require the purchase of more rolling stock, as the current capacity is about 16 million tons, according to TBC Capital, with the ongoing Ukrainian war having exacerbated the situation as maintenance and repairs have traditionally been done in Russia, Ukraine, and Belarus.

While train transit cargo volumes were up 29% in 2022, due to rerouting from the Northern Corridor, bottlenecks for transit traffic drove shippers away and last year volumes fell, leaving the transit tonnage carried at 5.9 million. However, container numbers rose last year, as did those for oil products and passenger traffic.

Revenue at Georgian Railway rose 16% to \$118 million in the first half of 2023, but underlying profits were down 19% at \$35 million due to rising employee costs and GEL appreciation. Since the issue of its last Eurobond in 2021, a seven-year one with a yield of 4%, replacing an earlier one with a 7.75% yield, the company's financing costs have been halved.

A “green” bond, the 2021 issue was extremely popular and was four times oversubscribed as the major development banks and institutions participated. The \$500 million raised will be used partially to fund the \$300 million modernization project, which incorporates buying new wagons and locomotives and modernizing the tracks and trackside infrastructure and stations.

Conservatively, assessing the impact of the modernization plan and growing domestic and international demand, international credit-rating agency Fitch has forecasted Georgian Railways' operating revenue growth to average over 2% in the coming four years. As the company is state-owned and controlled, its bond is rated in line with those of the government.

This 2021 Georgian Railway bond, quoted on the London and Frankfurt stock exchanges, is currently the only way into Georgia's expanding transport logistic business for all except private venture capitalists and entrepreneurs investing in the sector's many small businesses. However, given the yield it offers and the good chance that the price will rise some more, even this bond gives only very limited access – the minimum stock market investment is a nominal \$200,000, so one for funds - not private investors! ■





# Sectoral spotlight:

## Georgia's tourism sector sees 'record revenues' in 2023, sets out plans for 2024

**2**023 was a banner year for tourism, according to statistics published by the Georgian National Tourism Administration in early February. Georgia brought in a record-breaking \$4.1 billion in tourism revenue, which is 17% more than 2022 and a 26% increase compared to the pre-pandemic year of 2019. Tourist-type visits exceeded 4.6 million, an almost 100% recovery compared to 2019, Georgian National Tourism Administration (GNTA) head Maia Omiadze recently told the media.

Deputy Minister of Economy Mariam Kvrivishvili attributes this success in the tourism sector to various "successful activities," including Georgia's hosting of the 2023 Freestyle Ski and Snowboard World Championships in Bakuriani and the country's host position for ITB Berlin, a major international tourism fair.

The Deputy Minister also highlighted the government's efforts to establish more direct airline traffic with "strategically important target countries." She noted the introduction of several European airlines and airlines from India to

the Georgian air market in 2023, contributing to the diversification of the tourist market and resulting in increased tourist flows and revenues.

### Plans for 2024

Looking ahead to 2024, the Ministry of Economy and tourism administration has outlined plans to enhance the country's visibility as a visitor destination, host more significant events, and establish additional direct air access to "strategically important" countries.

Further to this, the government offered two other major aviation-related announcements in 2023: plans to construct a new airport in Telavi that could receive its first guests as early as May 2024 and plans to begin constructing a new international airport in Tbilisi, which former Prime Minister Irakli Garibashvili lauded as a move that would turn Georgia into an "aviation hub."

The Deputy Minister of Economy has also announced several major international events coming to Georgia in 2024. As Georgia looks to solidify its position

as a winter ski destination, its ski resorts have attracted the attention of the International Ski and Snowboard Federation following a successful hosting of the 2023 Freestyle Ski and Snowboard World Championships in Bakuriani. Bakuriani kicked off the 2023-2024 ski season with a successful hosting of the Moguls World Cup in December 2023, which brought 90 athletes from 16 countries to participate in the competition.

Also notable was ski town Gudauri's first-ever hosting gig for the Snowboard Cross World Cup in February. In preparation for the international competition, which Director of Mountain Trails Agency Irakli Burchuladze said would "mark the resort on the world map," an estimated GEL 70 million (\$26 million) was invested into updating the resort's infrastructure. Visitors to Gudauri can now enjoy two new ropeway systems and an additional six-kilometer track. A new snow blower is also now operating for the infrastructure, with contactless check-in points updated on all cable cars, new information monitors installed, and new road and ski signs added, according to the Ministry of Economy. In March, Svaneti's Tetnuldi resort will also host the qualifiers for the Freeride World Tour.

Beyond winter-focused events, Georgia is also set to host World Tourism Day this September - an event supported by the United Nations' World Tourism Organization that GNTA's Omiadze told reporters will bring "a lot of high-level guests to Georgia...and we will have the opportunity to introduce them to our country and the investment potential of our country, as well as the potential of tourism."

In addition to these major events, Omiadze recently told reporters that "active campaigns" would be implemented in 2024 to promote the country in the European Union, the United Kingdom, Persian Gulf countries, India, and China. ■





# Crafting *khanjalis*

## Georgia's traditional dagger finds new favor abroad

The Khanjali, the most iconic and requisite part of Georgian national dress for men, have been made in the Caucasus for thousands of years. Today, growing interest from international collectors is rapidly revitalizing this Georgian craft sector.

The khanjali is one of a large family of Georgian knives, daggers, and swords. Today, they are popular with collectors internationally, with prices of beautifully crafted new, custom-made ones running into the tens of thousands of dollars. The designing and forging of modern khanjali, Satevari, or Qama, is galvanizing many new Georgian masters and blacksmiths as well as exhibitions that draw thousands, rapidly

revitalizing this Georgian craft sector.

Georgia, with its embattled past, has needed more than its fair share of bladed weapons throughout its history. At times of mountain warfare, even its women were obliged to carry them. Historically, they form an integral part of Georgia's mythology, which was recognized by the 19th century Russian poets Alexander Pushkin and Michael Lermontov, who both addressed celebrated poems to the

khanjali. Today, these are more akin to ornamental art objects than practical instruments.

### Craft revival

A fashionable revival of interest in expensive, individually crafted knives has also been seen by U.S. and European craftsmen, but these are mostly for chefs or inspired by Japan's sushi knives. Although priced at up to \$1,000 or more, they are mostly purely practical and rarely have the beauty of design of ancient Georgian knives. Georgian prices range from upwards of a few hundred lari, with old ones bringing thousands at auction houses like Rock Island Auction Company and the U.S.-based auction house

Noblie; custom-made new ones can go for even more.

Georgian interest in its traditional knives is growing. The Knife Makers & Collectors Association of Georgia has 38,000 followers on Facebook, with enthusiasts coming from all around the world. The association held a second annual exhibition last October in Tbilisi, drawing around 1,500 attendees. A third is planned for the autumn of 2024. Jaba Bokuchava, the association's founder and a life-long khanjali enthusiast, believes there are now as many as 150 makers of knives in Georgia, although probably only ten or fifteen could be described as masters.

For several years, Jaba Bokuchava has been working to consolidate interest in Georgian knives, daggers and swords into an organization that can help promote the crafts and promote compliance with regulation and police concern about the spread of knives. As he said, even in the hard times, such as at the end of the Soviet Union, masters were still working and have continued since. These days, a very wide range of examples can be found in corners of Georgian art galleries, such as Vanda Gallery in Sololaki, or as part of traditional dress at Samoseli Pirveli in Tbilisi's Leo Kiacheli street. But until he set up the association and its website and launched the annual exhibitions, this had become almost a hidden craft.

The association now numbers several hundred Georgian and overseas members, who regularly correspond online with each other to swap notes and trade.

The range of new design is widely varied – from the strictly utilitarian to ones whose complex designs outshine even those of centuries ago. The khanjali dagger is a double-edged blade often featuring a single, off-set groove on each side of the blade, and its handle has a guard and pommel extending out of it. Similar in shape to the ancient Roman gladiators' gladius, the Scottish dirk, or ancient Greek xiphos, khanjali were usually highly engraved with gold and silver inlaid designs – and sometimes embedded gemstones. The most valuable copies of these, the gem-studded ones especially, can be found today in Georgian specialist jewelers shops, such as goldsmith Zarapkhana's outlets in Tbilisi and Batumi. But most contemporary masters follow tradition and decorate their knives with inlays and engravings.

### **An age-old instrument**

The earlier name was Satevari, examples being found dating back to the 3rd century; these were small as they were made of copper and bronze, which did not allow for long blades. By the 18th and 19th centuries, production of khanjali and other bladed weapons in Georgia was booming, demand coming not just from the Georgian and Caucasian moun-

tain people, but also from Iran and countries further east. The Tbilisi blacksmiths were famous for the hardness of their metal and were not only Georgians, but Dagestanis, Circassians, and Armenians. Ancient specimens can be found in museums around the world, such as in the New York Met, in Poland, and, of course, in Russia. Some khanjali they made were from swords whose blades had been broken.

The metal also has its legends. The most famous steel in medieval times was bulat steel, a very tough type of high-carbon but flexible steel that historians believe was first used by nomads many centuries ago, but the recipe for that seems to have disappeared with time. Similar was Damascus steel, whose original recipes also disappeared, the feature of which was its distinct pattern of pale and shadowy grains. Today, blacksmiths and knifemakers produce a type of Damascus steel by using a pattern welding process to combine two different steels into a singular design.

An associated tale is that in the first half of the 19th century, the most famous weaponry blacksmiths were the Georgian Elizarashvili family in Tbilisi. Giorgi Elizarashvili inherited from his ancestors the family secrets of processing exceptionally strong steel. This secrecy was strictly maintained, but (and here the stories vary, either willingly or because of coercion) in 1828, the family shared ►►



This khanjali, manufactured in the 19th century, went for more than \$7,000 at a U.S. auction in 2022.



► the secrets with the Russian Zlotousk factory by order of the Russian Emperor, Nicholas I. However, according to this version, when Elizarashvili died, he was found to have taken the knowledge of one vital ingredient with him. So, that type of metal also disappeared!

### Modern makers

In recent history, one of Georgia's most famous masters has been Teimuraz Jalaghania, now in his 80s and a practitioner of the traditional craft of Damascening – laying different metals into one another, typically, gold or silver into a darkly oxidized steel background – for decades. He has been teaching for nearly 50 years, and has passed on his skills to many. His story is told on the online craft platform Homo Faber, which is funded by the MichaelAngelo Foundation.

The scope to use these skills is wide, as shown by the career of Gocha Laghidze, who describes himself as a maker of “traditional arms and armor,” although in fact he does much more than that. As recounted in *European Blades Magazine*, he is, indeed, a metal artist. He forges sabers, swords, armor, and helmets; makes coats of mail; is a goldsmith and restorer, armorer, and blade-smith; and specializes in ancient forms of blacksmithing. He

Teimuraz Jalaghania is a practitioner of the traditional craft of Damascening and has been teaching his craft for more than 50 years. Source Homo Faber. Photo credit Teimuraz Jalaghania





Khanjalis like this one are featured at museum exhibits around the world, including the Metropolitan Museum of Art in New York.

has been awarded numerous prizes. Now based in Holland, he works principally for museums and also restores European armaments for them.

Gocha Laghidze made his first creations, a chain mail and knight's helmet, in his native country Georgia when he was just 14 years old. A history teacher instilled in him the love of metalworking and of traditional weaponry. "He showed me his own collection of historical weaponry. I was so fascinated by the beauty of the objects and the stories surrounding them that I studied them in detail, so I could make similar ones myself," *European Blades Magazine* quotes him as saying. At the age of 21, Gocha was already a metal restorer in a national museum in Tbilisi. He says he remains inspired by the rich military history of Georgia, but has broadened his scope to European armaments since moving to Holland.

Other similarly skilled Georgians are working around the world. But to-




In his workshop in Tbilisi, Jalaghania teaches his apprentices to ensure the transmission of this precious tradition to future generations. Source Homo Faber. Photo credit Rusudan Barnovi.

day there seems to be no danger that the craft of making khanjali will disappear from Georgia, thanks a great deal to the attention, organization, structure, and craft network created by Jaba Bokuchava with the Knife Makers & Collectors Asso-

ciation of Georgia. Anyway, as Teimuraz Jalaghania commented to *HomoFaber.com*: "Society today often forgets about people like us, but real masters are stubborn enough to continue their work no matter what happens." ■

ADVERTISEMENT

 (+995) 571 44 66 44  
Mon - Sun, 09:00 - 18:00



  
**GSS Car Rental**  
[www.gsscarrental.com](http://www.gsscarrental.com)

GSS Car Rental is a local car rental company located in Tbilisi, founded years ago and ahead of most of the competition in Georgia, the company was established to provide tourists with a car to fit most needs and budgets, the team of native Georgians has the necessary skills and experience to run a great car rental company in this beautiful country. GSS Car Rental has 24/7 customer service and pickup and drop-off at the location of your choice. There are options to pick up and drop off your rental car at Tbilisi airport, hotel or even another city in Georgia, the company will deliver it to Kutaisi or Batumi Airports.

# GEORGIA

## RESPONDS TO GLOBAL DEMAND

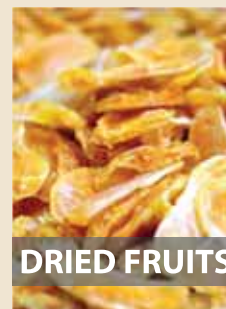
### EASY ACCESS TO WORLD-CLASS AGRICULTURAL PRODUCTS

Food producers, retailers and restaurateurs around the world are clamoring for reliable supplies of high-quality fresh fruits, vegetables, culinary ingredients and ethnic specialties. That's why Georgia's agricultural community has responded with expanded farm operations, better performing cultivars, state-of-the-art technologies, increased cold storage capacity, innovative product formulations, compliance with strict international food safety standards, and expanding exports to a growing list of countries.

### CONNECT WITH GEORGIA'S BEST

Whether you're looking for bulk ingredients, private label solutions or high-quality foods for other culinary applications, Georgia has what you need. To help you connect with the best Georgia has to offer, The USAID Agriculture Program, in a close cooperation with Enterprise Georgia and Rural Development Agency, has published Georgia's Best, a comprehensive directory of the country's leading, export-oriented producers of agricultural commodities and specialty foods.

Designed to inform buying decisions, Georgia's Best is organized by sectors:





Each chapter features a sector overview along with individual summaries of the top 10 producers in each category. This includes concise descriptions of the company's operations and history, export markets currently served, products available for export, annual production capacity, operational and food safety certifications, contact information and more.

To view and download a copy of Georgia's Best, scan this QR code



or visit



**tradewithgeorgia.com**

This catalog will help you establish strong and mutually beneficial business relationships with Georgian agribusiness.

We wish you every success!



**USAID**  
FROM THE AMERICAN PEOPLE



**ENTERPRISE GEORGIA**



Rural Development  
Agency





## TBC Capital's macroeconomic outlook: '2024 to be the year of normalized trends'

[www.tbccapital.ge](http://www.tbccapital.ge)

2024 looks to be the year of normalized macroeconomic trends, says TBC Capital's latest macro and sectoral outlook released at the start of the year. With the effects of the Covid-19 pandemic well in the past and the impact of migration related to Russia's war against Ukraine seemingly stabilizing, analysts foresee a year marked by economic growth levels, inflation, monetary policy, and the GEL exchange rate all returning to their long-term averages.

This trend is a continuation of normalization already observed in 2023 as diminishing external trade turnover, negatively affected by reduced international commodity prices, and somewhat flat migration-related inflows, as well as a return to more conventional tourism trends, saw real GDP growth of 6.7% (down from double-digit growth in 2021 and 2022) and a broader stabilization of the GEL exchange rate.

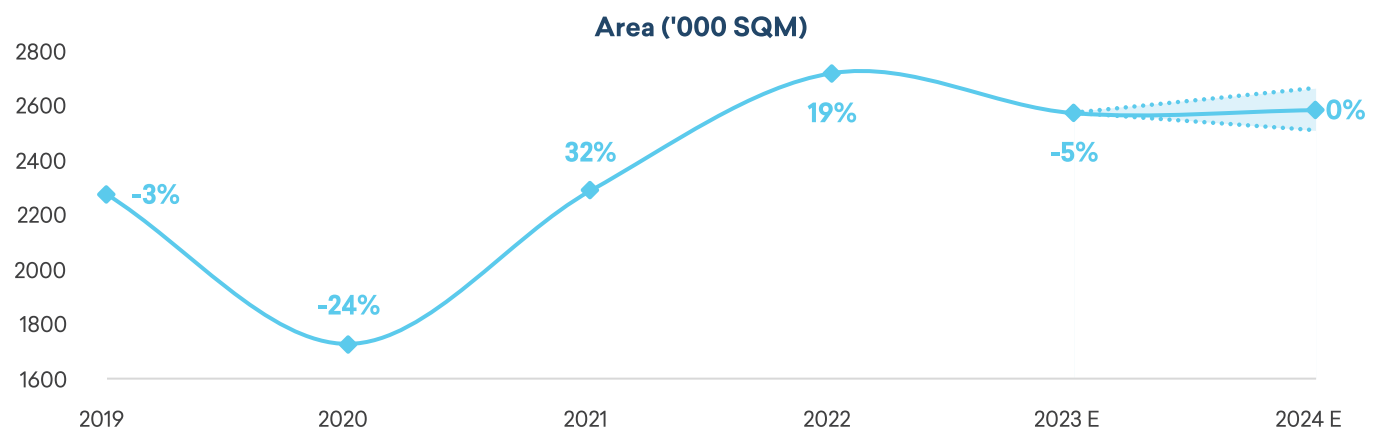
### Major macroeconomic expectations in Georgia

	2022	2023	2024	2025
Real GDP growth, YoY, %	10.4	6.7	4.8	5.4
Inflation (end of period), YoY, %	9.8	0.4	4.1	3.0
Monetary policy rate (end of period), %	11.0	9.5	8.5	7.5
EUR/USD	1.07	1.10	1.12	1.16
USD/GEL	2.70	2.70	2.80	2.70
EUR/GEL	2.88	2.97	3.14	3.13

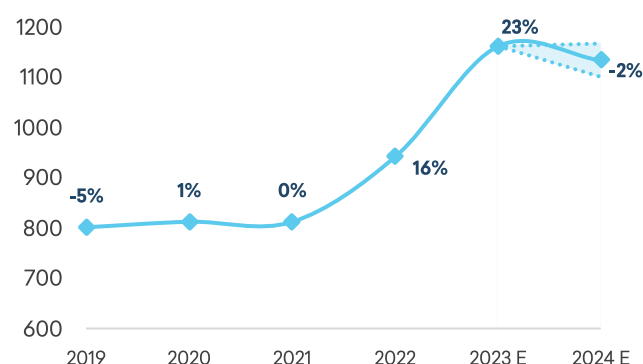
### Real Estate

Migration-related increases in demand, GEL appreciation, and an increase of construction costs all contributed to a boom in Tbilisi's real estate market in 2022; these factors largely faded in the second half of 2023 as the market stabilized. In 2024, TBC Capital expects that the number of transactions and average prices of residential real estate will continue to stabilize. Fundamental drivers, such as urbanization, the reduction of household sizes, large size of outdated existing property, a positive outlook on salary growth, high rental yields, and an anticipated reduction of interest rates will support this stabilized demand in 2024.

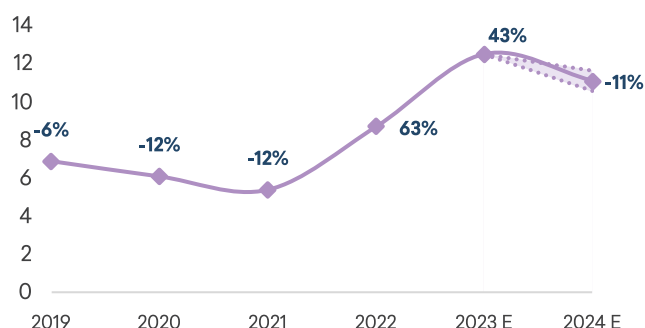
### RRE major indicators and YoY growth (%), Tbilisi



**Sale price (\$/SQM)**



**Rent price (\$/SQM)**

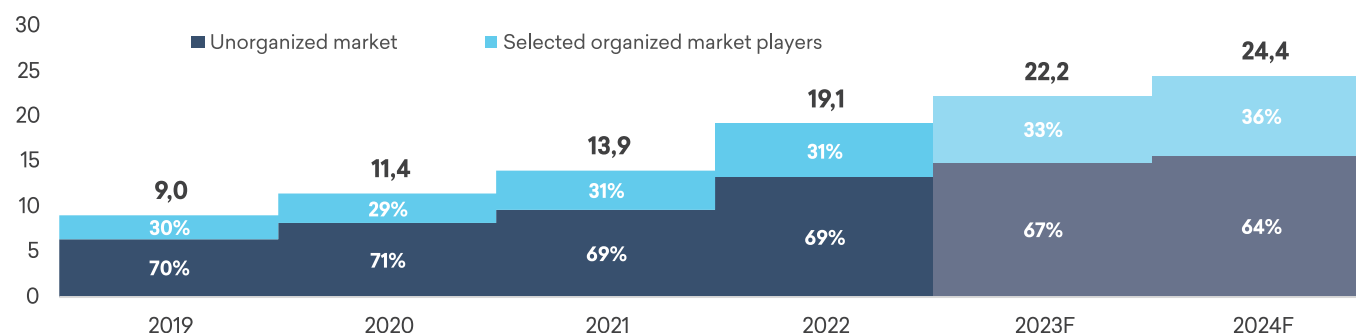


## FMCG

Revenues in Georgia's organized fast-moving consumer goods (FMCG) market grew by 25% YoY in the first nine months of 2023. As no one-off events (like the increased migrant inflows in 2022) were observed in 2023 and inflation stabilized, this growth is mostly attributable to further expansion of the organized FMCG market in terms of increased regional penetration and increased presence in the capital. This growth is also backed by increased natural demand as average wages increased in 2023.

In 2024, TBC Capital expects these trends to continue and forecasts that the organized FMCG market will continue to outgrow the overall market (including the unorganized market) and reach 36% of total market turnover. The overall FMCG market is expected to reach 24.4 billion GEL in value.

**The organized and unorganized FMCG market revenue (GEL bn)**

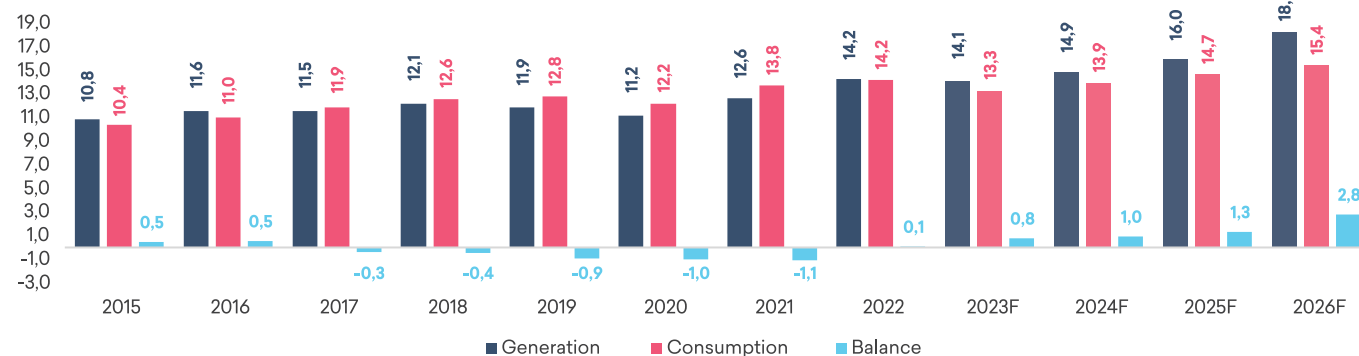


## Electricity

For the first time in recent history, 2022 marked the first year when Georgia's electricity generation exceeded its overall consumption on an annual basis – a trend that continued in 2023. Going forward, TBC Capital expects that domestic consumption will stabilize with around 5% annual growth in the medium term, in line with expected economic growth.

According to the GSE, if all expected energy projects become operational within their existing schedules, the total installed capacity of Georgian power plants is expected to reach 5,870 MW, a 28% increase in the medium term, which will help contribute to a continued positive balance in energy generation compared to consumption.

**The organized and unorganized FMCG market revenue (GEL bn)**





# A tough nut to crack - how is Georgia's nut industry developing?

As the first almond blossoms unfurl, Georgia's tens of thousands of nut farmers are beginning to assess what income they made in 2023 and their chances for 2024. The nuts industry – hazelnuts, walnuts, almonds, and pistachios – is crucial for Georgia, being one of its largest in terms of exports, employment, and small-plot owner involvement; yet, it seems beset with challenges on every front. But with support from a wide range of schemes by government, donors, and large commercial groups, it is growing and holding its own.

At street level, new almond consumer products are now proliferating in Georgia, particularly from Udabno, the country's largest almond producer and part of the Adjara Group. This is triggering increased consumer interest – its Vera shop sells almond flour, sweets, biscuits, nuts, oil, and butters all made from harvests on

its 2,300 hectare Kakheti organic farm. International confectionery companies have introduced many new nut brands, and local efforts are being made to come up with new variants of Georgia's traditional churchkhela.

Economically in Georgia, this industry has become a very active sector, expanding against a background of ris-

ing international demand for nuts as healthy, nutrient-rich food products – the nut market is currently valued at \$46 billion globally and growing by around 6% a year, according to U.S. analysts Precedence Research. New companies are entering the Georgian market, diversifying the industry from the traditionally dominant hazelnuts by planting



almonds and walnuts. Today, almonds cover 6,000 hectares, says *Eastfruit*, the East Europe and Asia horticulture market intelligence website, and the figure for walnuts is put at around 8,700 hectares, compared to around 70,000 hectares for hazelnuts.

Backed by state support, Georgia has been heavily investing in walnut production since 2015, with the government's "Plant the Future" program data putting the total it has spent since then at \$27 million. The Almond & Walnut Producer Association of Georgia is forecasting that walnut farms participating in the government program will produce an unprecedented 40,000 tons a year by 2025, 500% higher than post-2014 peaks in production.

Globally, almonds and walnuts are the most popular nuts, accounting for 27% and 22% of world nut production, respectively, in the latest crop year, with walnuts showing the fastest growth rate at 9%, according to the International Nut and Dried Fruit Council. China was the world's dominant walnut producer at 53%, but the U.S. was by far the largest exporter (43% against China's 15%, with most going to the EU). For almonds, the U.S. continued to be the global supply leader (76% in the latest crop year, with

47% going to Europe and 37% to Asia), followed by Australia (10%) and Spain (4%). And almonds were the most popular nut among consumers, at 31% against walnuts' 19%.

Almonds' rising international popularity and its forecast market price recovery (having halved over the last five years) are the reasons for increasing numbers of entrants to Georgian almond farming. Commenting on the latest season's record international sales, global food commodity price data and market intelligence group Mintec says: "The sales are going to price-sensitive markets - India and China. A lot of this demand is driven by low pricing. The expectation from the market is that this trend is going to continue. Everyone's expecting record shipments."

## Georgian production

*Eastfruit* names as major investors in almonds in Georgia as first Udabno; then Nuts Incorporated (800 hectares out of its total territory of 3,000 hectares, with exports planned at 500 tons); Nuts Cultivation (900 hectares owned by one of India's leading niche restaurateurs and a global entrepreneur, Ashish Kapur, who is also aiming to export); Almond Co. (200 hectares, looking at the Turkish

and Russian markets); Almond Tree (200 hectares and another would-be exporter); Mkisa (40 hectares and planning to become a service provider for developing and implementing self-sustaining green energy orchards).

Local production of almonds is rising rapidly: it was 2,000 - 2,500 tons in Georgia's 2022-2023 season, and the Georgian Walnut & Almond Association has a production forecast of "over 14,000 tons by 2027," Exports last season totalled over 150 tons, raising \$280,000, with kernels going to the United Arab Emirates and those in shell to Uzbekistan.

Almonds start to fruit when the tree is two years old, though nuts do not appear in large numbers until it is five or six. By contrast, walnuts will not start to fruit before five years. So, says Anna Kevkhishvili, a board member of Georgia's Association of Almond and Walnut Producers and founder of the family Kvemo Kartli walnut producer Anigozi, 2023's large increase in the Georgian walnut harvest came as a result of planting in 2018. Fortunately, the bumper harvest coincided with a large increase in local demand, and equally fortunately, as she commented, there are now sufficient companies providing "the critical drying and processing...that will ensure the suc-







► cess of the development of the industry in Georgia.”

While the walnut producers are aiming at the EU market, they understand, *Eastfruit* comments, that “Georgia is not yet known on the EU market as a walnut producer. Therefore, it takes time to establish oneself.” But one advantage that might help Georgia is that its walnut crop is several weeks earlier than that in the U.S., a major EU supplier. Trial deliveries of Georgian walnuts have been made to Dubai, too, and India is another possible market.

However, for now there is also the growing home market, notes *Eastfruit*,

as rising domestic demand is opening up import substitution opportunities in walnuts and almonds. *Eastfruit* points to increased local demand, particularly at supermarkets, and suggests this is due to the influx of Russians. Georgian walnut farmers, says *Eastfruit*, were able to sell their produce quickly last season, although the lower-priced imports held down prices.

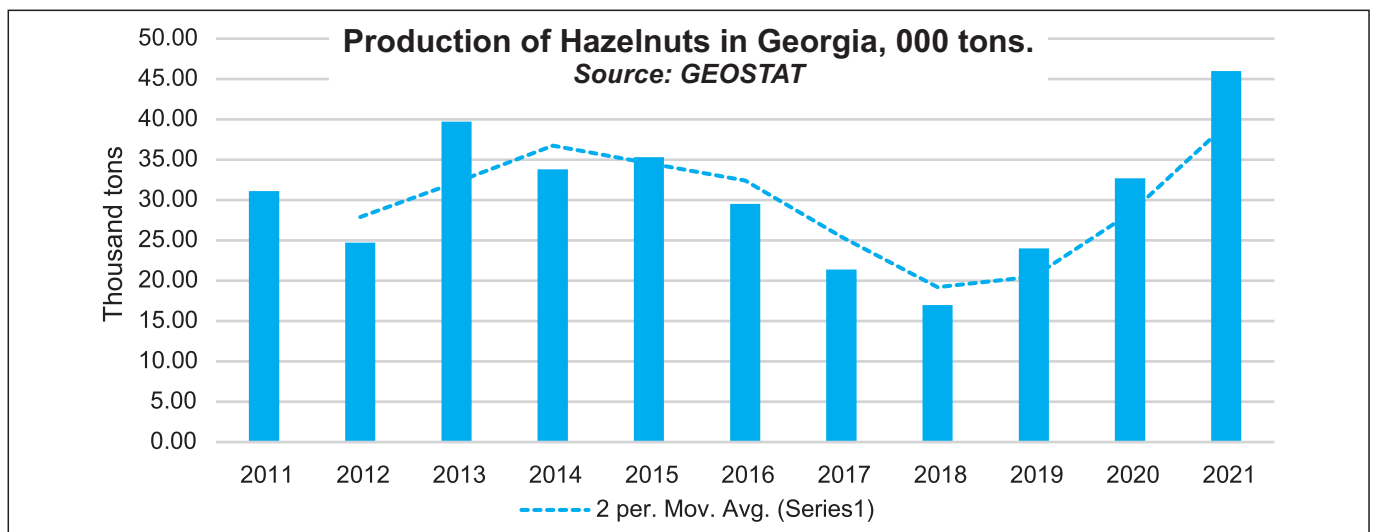
Imports of walnuts, according to *Eastfruit*, more than doubled in the last crop year, with 1,850 tons coming in from Ukraine, Kyrgyzstan, Uzbekistan, Turkey, Chile, and China. Imports of almonds *Eastfruit* puts at 1,300 tons, up 97% com-

pared to the previous year.

## Hazelnuts

The size of Georgia's hazelnut crop means it features on world production tables with a 3% market share. Turkey dominates the growing global hazelnut market, at 71% of production and 75% of exports, with the EU and UK the top destination.

While Georgia's nut farming has traditionally been dominated by hazelnuts, this is beginning to change - particularly as hazelnut yields continue to be badly knocked by stink-bug infestations and production is no longer as financially at-



Graph courtesy of the USAID Georgian Hazelnut Improvement Project.



tractive as it was fifteen years ago, says a 2022 annual report by the USAID Georgian Hazelnut Improvement Project. Despite price recovery since the slump of 2017-2018, this is being offset as inputs such as mechanization, pesticides, and fertilizers are becoming more expensive while not completely matched by government help and subsidies. Financial support to small hazelnut farmers in 2024 for the necessary agrochemicals and pesticides will total 29 million GEL, compared to 20.9 million GEL last year.

However, as Georgian Agriculture Minister Otar Shamugia pointed out in the summer of 2023, despite these obstacles, Georgia still exports to the EU over 70% of its production of hazelnuts, by far the largest amount from its nut farming. This is all the more impressive given the EU's high level of regulated import controls, which Georgia still has trouble navigating.

Having risen at an average annual



rate of 7.1% from 2016-2022, hazelnut harvests would, it had been hoped, be able to continue to grow last year. However, it was not to be. Heavy rain struck during the harvest and farmers had not been able to fully eradicate persistent stink bug infestations, so yields fell and the outcome was considerably less than expected.

Globally, modernization and new technology are being deployed to drive increased production in the nut industry, a trend which is also reflected in Georgia. This is particularly important for the beleaguered hazelnut sector because of the size of its production chain and thus its economic significance for Georgia. According to *Eastfruit*, this includes 75,000 hectares of plantations employing 70,000 farmers, staff at nine drying and storage warehouses, and 60 processing plants - 40 of which meet modern standards.

The Georgian Hazelnut Growers Asso- ►►





Legal expertise.  
Business understanding.  
It's all connected.

With expertise that connects disciplines and crosses borders, we bridge all aspects of your business so you can grow and protect it, today and tomorrow. That's the power of PwC Legal — it's all connected.



ADVERTISEMENT

► ciation said last year that rather than increase orchard numbers, its top priority for the next few years was “to improve the quality of Georgian hazelnuts.” Problems listed by Merab Chitanava, chairman of the association’s executive board, at the annual conference were that: “The fight against the marble bug is not yet over, so producers must keep working hard. We plan to improve the average kernel yield to 47% (it is now 32%) and increase the yield...”

Modern commercial farms yield as much as 2.5-3.0 mt/ha, whereas Georgia’s national average is close to only 0.5 mt/ha. The low yields were mostly due to poor orchard management, but Merab Chitanava told international food sourcing and data hub *Tridge.com* that this could be rectified “even within two seasons.”

### Modernization efforts and international assistance

There is now a wide range of assistance going into the hazelnut sector, helping to achieve the association’s aims. Already the number of border rejections of Georgian hazelnut shipments by the EU, most due to aflatoxins (a poisonous mold), is falling as post-harvest management of the nuts improves, notes *Tridge.com*. However, despite improvements in quality, Georgian hazelnuts are still getting prices below that of other major exporters – Turkish producers get around 10% more, but that country, with 71% of global production, enjoys huge economies of scale and relative efficiency.

Among the many projects supporting Georgia producers, most of whom have small household orchards with less than 2-3 hectares, is a two-year program from the Swiss Agency for Development and Cooperation (SDC) that is helping 700 farmers (230 of whom are women). The plan is to go organic to gain higher prices and offer education on pest control, soil nutrition, grafting, and innovative growing techniques.

USAID has since 2015 been backing a hazelnut improvement project in Georgia, implemented by the U.S. food development organization Cultivating New Frontiers in Agriculture (CNFA) and working with major Italian confectionery group Ferrero Rocher (a very important player in Georgia’s hazelnut industry and the owner of 5,000 hectares of orchards). Activities have focused on increasing export sales and prices through improvements in quality, and enhancing Georgia’s reputation as a stable, reliable supplier of high-quality nuts.

One latest phase of the program is to build a traceability system, a key element to improve quality and consumer safety. But beyond this is a plan to improve the quality of data on Georgia’s hazelnut production as only then can full analyses be made of harvests and sales, as well as successes and failures. This, says the project’s last report, is vital “both at business and policy-making levels.” ■

**ADVERTISE**  
**your business with**

**Investor.ge**

**Copies of our magazine go to**

- 17 High-end hotels in Tbilisi and Batumi
  - Covering 6000 guests in a month
  - Hand-delivered to 393 rooms
  - 16 lobbies
  - 16 meeting areas
  - 12 receptions
- 150 large international companies
- Cafés, bookshops & supermarkets
- All 74 embassies and diplomatic missions

**[www.investor.ge](http://www.investor.ge)**

**Your potential clients read us!**



# CONTENT



## 53

### AmCham Luncheon with U.S. Ambassador Dunnigan

- |   |  |
|---|--|
| 43. AmCham Signs Joint Statement in Support of EU Integration                                     | 50. AmCham Meets U.S. State Department Coordinator on Global Anti-Corruption |
| 44. Committee Meetings  | 51. AmCham meets IFC representatives   |
| 45. AmCham x TBC Macro-Sectoral Presentation and Cocktail Reception                               | 52. AmCham Back to Business Cocktail Reception                               |
| 46. AmCham Board Hosts U.S. Deputy Assistant Secretary of State Joshua Huck                       | 53. AmCham Luncheon with U.S. Ambassador Dunnigan                            |
| 47. AmCham Holds 2023 General Assembly  | 54. New Members  |
| 48. AmCham Hosts 2023 Holiday Reception   | 56. Member Directory   |
| 49. AmCham Member Lunch on Education and the Launch of the AmCham/MAC Georgia Scholarship Program | 60. Board of Directors   |





## AmCham Signs Joint Statement in Support of EU Integration

On November 30, 14 leading business associations made a joint statement in favor of granting EU candidate status to Georgia. In the statement, the associations reaffirmed their support for the European integration process, welcomed the recommendation of the European Commission, and added the voice of businesses in Georgia to the call to grant Georgia candidate status in December.

The statement read:

*We, the below listed business associations, welcome the European Commission's recent recommendation on granting the EU candidate status to Georgia; reaffirm the business sector's unequivocal support for Georgia's EU integration, which bears particular importance for a long-term stability, prosperity and development of the country; acknowledge that the AA/DCFTA and visa-free travel are key instruments that should be fully*

*utilized in the process of the EU-Georgia rapprochement; firmly believe that granting the EU candidacy status to Georgia will give a positive signal to other Eastern Partnership Countries in the Region; add the voice of businesses in Georgia to the call to grant the EU candidacy status to Georgia and anticipate that the decision of the European Council in December will bring the country to even closer to its ultimate goal - EU membership.*

The joint statement was delivered on behalf of the following business associations: EU-Georgia Business Council, American Chamber of Commerce in Georgia, German Business Association - Deutsche Wirtschaftsvereinigung (DWV), Chambre de Commerce et d'Industrie Française en Géorgie, International Chamber of Commerce in Georgia, European Business Association Georgia, Georgian Producers' Federation, Georgian Employers' Association, Taxpayers Union, Georgian Distributors Business Association, Banking Association of Georgia, Georgian Farmers' Association, Georgia-Romania Chamber of Commerce, and the Slovak-Georgian Chamber of Commerce.





## Committee Meetings

On November 30, the Tourism Committee met at the Tbilisi Philharmonic Hotel. At the meeting, Deputy Minister of Economy and Sustainable Development Mariam Kvrivishvili and Head of the Georgian National Tourism Administra-

tion Maia Omiadze provided committee members with an overview of upcoming campaigns and plans for the sector. On December 6, the CLT Committee met at the AmCham offices. The committee met again on December 20, January 24, and

January 26; at these meetings, the committee hosted Giorgi Jugheli of the Investors Council and discussed developments related to the Law on Entrepreneurs as well as recent court decisions that could impact arbitration practices in the country.





## AmCham x TBC Macro-Sectoral Presentation and Cocktail Reception

On December 1, AmCham Georgia and TBC Capital hosted a presentation at the newly opened Paragraph Tbilisi Hotel.

The presentation provided a macro-sectoral overview of 2023 and was followed by a panel discussion about the poten-

tial impact for businesses if Georgia is granted candidate status in the European Union. A cocktail reception followed.





## AmCham Board Hosts U.S. Deputy Assistant Secretary of State

The AmCham board hosted U.S. Deputy Assistant Secretary of State Joshua Huck for a dinner on December 5. U.S. Ambassador Robin Dunnigan and other

members of the U.S. Embassy team also attended the dinner. AmCham President Irakli Baidashvili moderated a discussion of Georgia's economic and political

situation, ways to facilitate the strengthening of Georgia-U.S. relations, and opportunities that EU alignment can bring for the country.



## AmCham Holds 2023 General Assembly

The American Chamber of Commerce in Georgia held its annual general assembly and luncheon at the Pullman Tbilisi Hotel on December 7. At the luncheon, AmCham President Irakli Baidashvili offered an overview of the work of the chamber during the last year. AmCham Vice President and Treasurer, George

Tkhelidze presented an overview of the 2022 financial accounts, which had been audited by Grant Thornton Georgia. This was approved by members. AmCham President Baidashvili thanked AmCham members, the board, and staff for a successful year and offered his positive hopes for 2024.





## AmCham Hosts 2023 Holiday Reception

On December 14, AmCham Georgia hosted a members' appreciation holiday reception and networking event at the Tbilisi Marriott. AmCham President Irakli Baidashvili greeted the guests and welcomed U.S. Ambassador Dunnigan, who was also

in attendance, before briefly highlighting the achievements and challenges of the past year. Guests were welcome to enjoy delicious cocktails, glint-wine, and Georgian wine, along with delicious holiday food and desserts.





## AmCham Member Lunch on Education and the Launch of the AmCham/MAC Georgia Scholarship Program

On December 21, AmCham Georgia hosted a business lunch to celebrate its new scholarship program, an initiative it launched in partnership with the McLain Association for Children Georgia in the fall of 2023. The aim of the program is to support promising students from socially vulnerable families with university scholarships. The program, with the support of its generous member companies, was

able to raise funds to support 30 students, covering their tuition fees and providing a modest living allowance. The launch event incorporated a panel discussion on education and how NGOs and businesses have been working to improve the sector. At the end of the event, AmCham President Irakli Baidashvili presented the scholarship recipients with certificates.



## AmCham Meets U.S. State Department Coordinator on Global Anti-Corruption

AmCham President Irakli Baidashvili, along with AmCham Executive Director George Welton and Vice Presidents Michael Cowgill and George Tkheldidze, hosted Department of State Coordinator on Global Anti-Corruption Richard Nephew at Unfound

Door on January 17. The lunch included discussion of the business environment in Georgia and how potential corruption can be managed, mitigated, and tracked by businesses and U.S. government agencies.





## AmCham meets IFC representatives

On January 17, AmCham Georgia hosted a meeting with representatives from the International Finance Corporation (IFC). At the meeting, the IFC and AmCham representatives reviewed

the possibility of gaining access to finance through asset-based finance (ABF) products, including factoring.





## AmCham Back to Business Cocktail Reception

AmCham Georgia hosted a back to business cocktail reception for its members on January 26 at the Sheraton Grand Tbilisi Metechi Palace's Ati Restaurant. AmCham President Irakli Baidashvili greeted guests and provided information about upcoming

AmCham events. The reception was attended by AmCham members, friends, and the heads of foreign diplomatic representations. Members used the opportunity to reconnect with each other after the long holiday season.



## AmCham Luncheon with U.S. Ambassador Dunnigan

On January 30, AmCham Georgia hosted its first members' only luncheon of the year with U.S. Ambassador to Georgia Robyn Dunnigan at the Biltmore Hotel Tbilisi. During the event, Ambassador Dunnigan discussed various aspects of U.S.-Georgia

relations, as well as current issues in the United States, Georgia, and the wider region. The presentation was followed by a lively Q+A, which covered a wide range of topics.





### Boxette Georgia LLC Corp A

Boxette is an international logistics business group of Georgian origin with offices in Georgia, Ukraine, Uzbekistan, USA, China and Turkey.

[www.boxette.ge](http://www.boxette.ge)



### Palladium International LLC Corp A

The five-year USAID Georgia Financial Innovation Program ("The Program") seeks to increase the flow of diversified investment resources and innovative financial products to Georgia's private sector in order to expand businesses, create jobs, and attract additional private investment. The Program will achieve this through a holistic approach that:

- Strengthens the financial market regulatory environment and infrastructure institutions while leveraging innovations in financial technology,
- Stimulates the market for equity and quasi-equity instruments and supports finance providers to offer an expanded set of innovative and diversified financial products and services tailored to Georgian start-ups and high potential SMEs; and,
- Supports Georgian businesses to access fit-for-purpose financing instruments through a network of professional transaction advisors.

The Program will focus primarily, but not exclusively, on expanding access to finance for startups and SMEs with high potential for employment generation. It will also include a focus on nontraditional financial instruments. Furthermore, it envisions the establishment of a catalytic, blended finance investment mobilization platform to be available to de-risk and leverage innovation and risk taking.

[thepalladiumgroup.com](http://thepalladiumgroup.com)



### Baobab Capital JSC Corp B

Baobab Capital is one of the first regulated Investment Funds in the region providing accredited investors direct access to real estate development opportunities.

Baobab Capital is cherry-picking investments that will deliver superior returns and enable investors diversify away their portfolios from low yield brick and mortar bank deposits.

Each project is pre-vetted by the company experts and monitored by industry specialists, ensuring the timeliness and transparency of each and every stage of development.

Baobab Capital invests its own equity in each and every project together with investors, sharing the risks and reaping the rewards together.

[www.baobab.fund](http://www.baobab.fund)



### DENS Ltd. Corp B

Officially convey information regarding the comprehensive dental services provided by the DENS Dental Clinic Network in Georgia. The network comprises five branches strategically located in various cities, including Tbilisi, Rustavi, and Gardabani.

The clinics within the network are equipped with state-of-the-art digital technologies, ensuring that patients can avail themselves of high-quality dental products in a time-efficient manner. A commitment to patient satisfaction is underscored by a patient-oriented approach, exemplified by 24/7 operational call center. Dedicated staff is readily available to address inquiries and engage in discussions at any time, fostering a seamless and accessible experience for DENS clientele.

It is noteworthy that the organization boasts a dental laboratory and an education center. These facilities are instrumental in the annual development and qualification of the employees, reflecting the steadfast dedication to maintaining the highest standards of service excellence.

[www.dens.ge](http://www.dens.ge)  
[www.geoperio.ge](http://www.geoperio.ge)  
[www.periohub.ge](http://www.periohub.ge)





### Financial Laboratory LLC Corp B

The consulting company Financial Laboratory has been offering customers financial services tailored to their business for many years, which can be a one-time project or long-term and include outsourcing of a separate financial direction as well as a complete financial department. The company, through flexibility, individually shares the specifics of any project and the customer's vision, which makes it possible to perform tasks of any complexity and scale.

[www.finlab.ge](http://www.finlab.ge)



### Metropol Management LLC Corp B

Metropol Management is a real estate development company based in Georgia, founded in 2022, with a mission to provide bold and solid real estate solutions that redefine the standards of excellence in the industry. With a strong focus on quality and customer satisfaction, Metropol is positioning itself to become the top real estate developer in the region.

Metropol has four ongoing projects, including a 14-floor residential building in a prestigious district of Tbilisi, two 25-floor premium residential buildings with a recreation zone, parking, play areas, and a stadium in Saburtalo district, and two investment projects in Batumi - Metropol Oval and Metropol Cube.

Metropol is a vibrant real estate company in Georgia. They stand out in the market with their diverse approach, developing residential, investment, and suburban projects simultaneously. With five ongoing construction projects spanning 520,000 square meters, Metropol is making a substantial impact.

Metropol recognizes the importance of diversifying its portfolio, integrating residential and investment projects, and creating broader opportunities in the Georgian real estate market.

Committed to construction excellence and fostering vibrant communities, Metropol has ambitious plans to invest over half a billion GEL in the next three years, showcasing their dedication to Georgia's development sector.

As an innovative player, Metropol is reshaping the real estate landscape in Georgia, providing promising opportunities for investors, and setting new benchmarks in the industry.

[metropol.ge](http://metropol.ge)



### Georgia Media Exchange LLC Corp B

Georgia Media Exchange LLC is Georgian registered commercial legal entity operating from year 2009 as a representative office of Starcom Worldwide in Georgia. Starcom Worldwide has a history that dates back over 80 years being a global communications planning and media leader. With more than 7,000 employees worldwide, Starcom Worldwide partners with the world's leading marketers and new establishment brands. Georgia Media Exchange LLC offers a comprehensive media and advertising service package: strategic and tactical media planning, media buying, competitive market and media market overview, data analysis and reporting. It's about much more than media and advertising. Georgia Media Exchange LLC is an agency obsessed with technology, data and people. For Georgia Media Exchange LLC, data and technology aren't utilities - they're ways to capture an emotion, enable great creativity, and deliver connected valuable human experiences.



### INDEX | Wealth Management Corp B

Index | Wealth Management is a real estate investment company operating in Tbilisi and Adjara, with a focus on providing research-based information to assist investors and potential customers in making right investment decisions.

NEW MEMBERS

# AmCham Company Members as of February 2024

## PATRON MEMBERS

### Bank of Georgia

29a Iuri Gagarin St.  
Tel: 2444282  
www.bankofgeorgia.ge

### BP Exploration Georgia

14, Ialbuži St.  
Tel: 2593520  
www.bpgeorgia.ge

### Gulf Georgia by Sun Petroleum Georgia LLC

Pixel Business Center,  
34 Chavchavadze Ave.  
Tel/Fax: 2496444  
www.gulf.ge

### PwC Georgia

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

### TBC Group

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

### UGT

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

## CORPORATE A MEMBERS

### Adjara Group Hospitality

14 M. Kostava St. 0108  
Tel: 2300099  
www.adjaragroup.com

### Alliance LLC

6, K. Marjanishvili St., Batumi  
Tel: (995 422)270000  
www.alliancegroup.ge

### Alta LLC

Belashvili St. 104, 0159  
Tel: 2510111  
www.alta.ge

### American Hospital

17 Ushangi Ckheidze St., 0102  
Tel: 551851101  
www.ahtbilisi.com

### American Medical Centers Georgia

11 Arakishvili St. Tbilisi, 0179  
Tel: 2500020  
www.amcenters.com

### Anaklia Development Consortium

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

### BAT/ T&R Distribution

2 Chirnakhuliani St., Samgori district  
Tel: 2157500/01/02; Fax: 2157503  
www.bat.com

• **Borusan Makina Ve Guc Sistemleri Sanayi ve Ticaret A.S Georgian Representation**  
• 118 Kakheti Highway  
• Tel: 2222522  
• www.borusancat.ge

### Boxette Georgia LLC

• 4 Vaja-Pshavela Ave.  
• Tel: 2110201  
• www.boxette.ge

### Budget Rent a Car - Otokoc Georgia LLC

• 37 Rustaveli St.  
• Tel: 2234112  
• www.budget.com.ge

### Caucasus University

• 1 Paata Saakadze St.  
• Tel: 2377777  
• www.cu.edu.ge

### Coca-Cola Company

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

### Colliers International Georgia LLC

• Freedom Sq., 1 Tabidze St.  
• Tel: 2224477  
• www.colliers.com

### Conformity Assessment International (CAI) LLC

• 7 Kipshidze St.  
• Tel: 595690008  
• www.ca.international

### CRS Saqartvelo

• 72a I. Chavchavadze Ave., Vake  
• Plaza Business Center  
• Tel: 1 617 3479597

### Cushman & Wakefield Georgia

• 3rd Floor, 72a I. Chavchavadze Ave.  
• 0162  
• Tel: 2474849  
• www.cushmanwakefield.ge

### DAI Global (Implementer of the USAID Economic Security)

• 7th Floor, 29 I. Chavchavadze Ave.  
• Tel: 577465059  
• www.dai.com

### DAI Global LLC Branch of Georgia (Implementer of the USAID National Governance Program)

• 7th Floor, 29 I. Chavchavadze Ave.  
• Tel: 599111545  
• http://facebook.com/USAIDNationalGovernanceProgram

### Dasta Records Management

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

### Deloitte

• City Tower Business Center  
• 70 Vazha-Pshavela Ave., 16th floor  
• Tel: 2244566; Fax: 2244569  
• www.deloitte.ge

### Dentons Georgia LLC

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

### Diplomat Georgia

• 10 Chantladze Turn, Orkhevi  
• Tel: 2919293  
• www.diplomat.ge

### Dressler Consulting

• 35 Besarion Jgenti St.  
• Tel: +1-5169081444  
• www.dresslerconsulting.com

### ExpatHub

• 8 Ilia Odishelidze St. Saburtalo, 0160  
• Tel: 511139929  
• www.expathub.ge

### EY LLC

• 44 Kote Abkhazi St.  
• Tel: 2158811; Fax: 2158822  
• www.ey.com

### Forbes Georgia Magazine

• 19 Gamrekeli St., Room 311  
• Tel: 577787777  
• www.forbes.ge

### Gazelle Finance Georgia LLC

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

### General Electric

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

### Geomedica Ltd.

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

### Georgian American University

• 10 Aleksidze St.  
• Tel: 2915003  
• www.gau.edu.ge

### GMT Group

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

### Grant Thornton LLC

• 54 Ketevan Tsamebuli Ave.  
• Tel: 2604406  
• www.granthornton.ge

### Greco Group

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

### GSS Car Rental Company

• 11 Abel Enukidze St.  
• Tel: 571446644  
• www.gsscarrental.com

### GT Group

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

### Hilton Batumi

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

### Hilton Garden Inn Tbilisi Chavchavadze

• 64a Ilia Chavchavadze Avenue,  
• Tbilisi 0162  
• www.hilton.com

### Iberia Refreshments, JSC

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

### ICE Ltd.

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

### IT Consulting Georgia LLC

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

### Kavkaz Cement JSC

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

### KFC / Iberia Food Company

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

### Klein Law Group LLC (Klein & Pantsulaia)

• 3 Akaki Khorava St.  
• Tel: 597026856  
• www.kleinlawgroupgeorgia.com

### KPMG Georgia LLC

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

### LavaPi

• 80 Ilia Chavchavadze Ave.  
• Tel: 596633633  
• www.lavapi.com

### Lineate Georgia

• Mikheil Tamarashvili St., 13t  
• www.lineate.com

### Maersk

• 12 Aleksidze St., King David  
• Business Centre, fl. 5  
• Tel: 248 66 70  
• https://www.maersk.com/local-information/georgia

### Marriott Hotels, Resorts & Suites

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

### Mars Georgia LLC

• 71 V. Pshavela Ave; "BCV", 0186  
• Tel: 2207507  
• www.mars.com

### Mastercard

• Gate 08, Floor 5, 37M Ilia  
• Chavchavadze, Axis Towers, 0179  
• Tel: 2900815  
• www.mastercard.com

### McCann Erickson

• Office 26, 4nd Floor,  
• 71 Vazha-Pshavela Ave.,  
• Tel: 2207355  
• www.mccann.com.ge

■ **Meridian Express**

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

■ **Mondelēz Georgia LLC**

Vazha-Pshavela Ave. 70  
Tel: 2200180  
www.mdlz.com

■ **Office Technologies-Steelcase Dealership**

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

■ **Optimal Digital**

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

■ **Orient Logic Ltd.**

18 Bochorma St.  
Tel: 2541818  
www.orient-logic.ge

■ **Pace International LLC**

Abuladze St. First Lane 8, 0162  
Tel: 2914701  
www.pace.ge

■ **Palladium International LLC**

14 Kostava St.  
Tel: 599085069  
www.thepalladiumgroup.com

■ **PepsiCo Wimm-Bill-Dann**

11 Andria Apaqidze St.  
Tel: 2611000  
www.wbd.ru

■ **Philip Morris Georgia**

Saarbruecken Sq., Moxy GMT  
Offices  
Tel: 2439003  
www.pmi.com

■ **ProCredit Bank**

21 Al. Kazbegi Ave., 0160  
Tel: 2202222; Fax: 2202222-2226  
www.procreditbank.ge

■ **Quantori Georgia**

70 Vazha-Pshavela Ave., 0186  
www.quantori.com

■ **Radisson Blu Iveria Hotel**

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

■ **Radisson Red Tbilisi**

44 D. Aghmashenebeli Ave.  
Tel: 2222020  
https://www.radissonhotels.com/en-us/hotels/radisson-red-tbilisi

■ **Radisson Red Tbilisi**

44 D. Aghmashenebeli Ave.  
Tel: 2222020  
https://www.radissonhotels.com/en-us/hotels/radisson-red-tbilisi

■ **RE/MAX Capital**

43 Irakli Abashidze St.  
Tel: 2222424  
www.remax-georgia.ge

■ **Sheraton Grand Tbilisi Metechi**

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

■ **SICPA Security Solutions Georgia**

6 Akaki Bakradze St.  
Tel: 2434580  
www.sicpa.com

■ **Simetria LLC**

70b, Vazha-Pshavela Ave.  
Tel: 2420692  
www.simetria.ge

■ **Smartly LLC (Bolt)**

15 A. Kazbegi Ave., M2 Business  
Center  
https://bolt.eu/ka-ge/

■ **Strada Motors/JEEP-Chrysler**

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

■ **Studio Gambit Ltd.**

16 Veriko Anjaparidze St.  
Tel: 557777317  
www.studiogambit.com

■ **T&K Restaurants (McDonald's Georgia)**

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

■ **Tetra Tech ARD**

72a Chavchavadze Ave.  
www.tetrattech.com

■ **TMC Global Professional Services**

4 Freedom Sq., 3rd floor, Suite 328  
Tel: 599379783  
http://tmcgps.com

■ **Twilio Inc.**

101 Spear Street, 1st Floor, San  
Francisco, CA 94105  
www.twilio.com

■ **USAID Economic Governance Program**

5, Levan Mikeladze St., 0162  
Tel: 599585122

■ **Visa International Service Association**

900 Metro Center Boulevard, Foster  
City, CA 94404, USA  
Tel: 599374877  
www.visa.com

■ **Willis Towers Watson Ltd.**

23-23a, Chavchavadze Ave.  
Tel: 2905509  
www.willistowerswatson.com

■ **Wolt Georgia LLC**

38 Abashidze St.  
Tel: 599310205  
www.wolt.com

■ **Wondernet Express Investment Group**

60 Gogebashvili St., Batumi  
Tel: 599112150

**CORPORATE B MEMBERS**

■ **ABM Ltd.**

Kavtaradze St. I Lane, #10  
Tel: 2112017  
www.abm.com.ge

■ **APM Terminals Poti**

38 Aghmashenebeli St., Poti  
Tel: 0493 277777  
www.apmterminals.com

■ **Aptos**

G. Amilakhvari St. 15  
Tel: 2920371  
www.aptos.ge

■ **Aversi Pharma**

148/2 Aghmashenebeli Ave.  
Tel: 2987860  
www.aversi.ge

■ **Baobab Capital JSC**

Apt 7, 21 Abashidze St., 0179  
Tel: 577995568  
www.baobab.fund

■ **Baker Tilly Georgia Ltd.**

Meidan Palace, 44 Kote Abkhazi St.  
Tel: 2505353; Fax: 2505353  
www.bakertillyinternational.com

■ **Basis Bank JSC**

1 Ketevan Tsamebuli Ave.  
Tel: 2922922; Fax: 2986548  
www.basisbank.ge

■ **Batumi International Container Terminal**

11, Baku Street, 6010, Batumi  
Tel: 422 276452  
www.bict.ge

■ **BDO LLC**

2 Tarkhnishvili Str.  
Vere Business Centre, 0179  
Tel: 2545845; Fax: 2399204  
www.bdo.ge

■ **BGI Legal**

Meidan Palace, 44 Kote Abkhazi St.  
Tbilisi 0108  
Tel: 2470747  
www.bgi.ge

■ **Biltmore Hotel Tbilisi**

29 Rustaveli Ave.  
Tel: 2727272  
http://www.millenniumhotels.com/en/tbilisi/the-biltmore-hotel-tbilisi/

■ **Bitnet (Digital Platform LLC)**

King David Business Center, 12 M.  
Aleksidze St. 0171  
Tel: 2050022  
www.bitnet.ge

■ **BLB Law Firm Business Legal Bureau**

18 Uznadze St, II floor, 0102  
Tel: 2995797  
www.blb.ge

■ **BLC Law Office**

129a D. Aghmashenebeli Ave., 0102  
Tel: 2922491; Fax: 2934526  
www.blc.ge

■ **Business and Technology University**

82, Ili Chavchavadze Ave.  
Tel: 2195015  
www.btu.edu.ge

■ **Caspi Group**

29 Bochorma St.  
Tel: 2550818  
www.caspigroup.ge

■ **Caucasus Online LLC**

160 Tsinamdzghvishvili St.  
Tel: 2480000  
www.co.ge

■ **Channel Energy (Poti) Limited Georgia LLC, By Petrocas Energy Group**

52, David Aghmashenebeli St., Poti  
Tel: (995493) 2-7-08-60  
www.petrocasenergy.com

■ **Château Mukhrani, J.S.C.**

6 Samgebro St.  
Tel: 2201878; Fax: 2201878;  
www.mukhrani.com

■ **CMC LLC**

33 I. Chavchavadze Ave.  
Tel: 2240717  
www.cmc.ge

■ **Communal Technology LLC**

9 Apt., 4 V. Gabashvili St.  
Tel: 2915321  
www.communaltechnology.ge

■ **Conse**

9 Akaki Khorava St.  
Tel: 599994978  
www.conse.ge

■ **Consultis LLC**

55 Razmadze St.  
Tel: 577759444  
www.consultis.ge

■ **Crosscountry Georgia**

Apt. 74, Floor 4, Entrance 4,  
3 Arakishvili St.  
Tel: 2290003  
www.cross-cap.com

■ **Crowne Plaza Borjomi**

37 Rustaveli Ave.  
Tel: 995 367 220260  
www.cpborejomi.com

■ **Cryptal (Digital Ledger Technologies LLC)**

17 Murman Lebanidze  
Tel: 2053253  
www.cryptal.com

■ **Crystal, MFO JSC**

Expo Georgia, Tsereteli Ave.  
Tel: 431253343  
www.crystal.ge

■ **Dariali Energy JSC**

Grato Passage, 4th Floor, 37-39  
Merab Kostava St., 0179  
Tel: 2510500  
www.darialienergy.ge

■ **DENS Ltd.**

11 Kostava str. Rustavi 3700  
Tel: 2599599  
www.dens.ge  
www.geoperio.ge  
www.periohub.ge



# AmCham Company Members as of February 2024

## ■ Dio Ltd.

12th Km David Agmashenebeli Alley  
N3, Parsadani St.  
Tel: 2361112  
www.dio.ge

## ■ Domsons' Engineering

70 Vazha-Pshavela Ave., 0186  
Tel: 2050303  
www.domsons.com

## ■ Duty Free Georgia

3rd floor, 4 Besiki St.,  
Besiki Business Center  
Tel: 2430150  
www.dfg.ge

## ■ EFES Georgia (JSC Lomisi)

Bidzina Kvernadze St.8, INOFFICE  
Building, 3rd floor.  
Tel: 2357225  
efesgeorgia.ge

## ■ Element Construction Ltd.

13 S.Mgaloblishvili St.  
Tel: 2374737  
www.ec.ge

## ■ Europcar Georgia

42 Kote Abkhazi St.  
Tel: 2448080  
www.europcar.ge

## ■ Financial Laboratory LLC

Commercial Space N4, Building 29, 3  
Anna Politkovskaya St.  
Tel: 2052074  
www.finlab.ge

## ■ Foresight Investment Group

Office 204, 4 Besiki St., 0108  
Tel: 595 559966

## ■ Fulcrum Holding

2/4 Luarsab Sharashidze St.  
Tel: 595 559966  
www.fulcrumholding.com

## ■ Geo Steel LLC

36 Davit Gareji St., Rustavi, 3700  
Tel: 2243794  
www.geosteel.com.ge

## ■ GeoEngineering LLC

15a Tamarashvili St.  
Tel: 2311788; Fax: 2311787  
www.geoengineering.ge

## ■ Geomill LLC

Airport Adjacent Territory, Kakheti  
Highway  
Tel: 2400000  
www.geomill.ge

## ■ Georgia Media Exchange LLC

5th Floor, 85 Paliashvili St., 0162  
Tel: 575780892

## ■ Georgian Beer Company

3311 Saguramo, Mtskheta District  
Tel: 2437770  
www.geobeer.ge

## ■ Georgian Hospitality Group

22 Peritsvaleba St., 0103  
Tel: 2987789  
www.ghg.ge

## ■ Georgian Industrial Group LLC

GIG Plaza, 14 Gazapkhuli St., 0177  
Tel: 2210187  
www.gig.ge

## ■ Georgian Integrated Systems (GiS)

• Office 1, 85 Abashidze St., 0163  
• Tel: 2243724  
• www.gis.ge

## ■ Georgian Outlet & Resorts Group

• 3 Kavsadze Str. 0175  
• Tel: 2232523 (\*106)  
• www.tbilisioutletvillage.com

## ■ Georgian Property Management

• 4th Floor, 29 Chavchavadze Ave.  
• Tel: 599326611  
• www.facebook.com/propertygeo

## ■ Georgian-American International School Progress

• 9 Ivane Tarkhnishvili St., 0179  
• Tel: 599908041  
• www.schoolprogress.ge

## ■ Geosky International Airlines

• 2 Arboshiki St.  
• Tel: 598033003  
• www.tca.ge

## ■ GeoWel Research

• Apt 49, Bldg 3, Kostava 1st Turn  
• Tel: 2921914  
• www.geowel.org

## ■ Gergili

• Apt. 13, Block 3, Building 7, Vaja-  
• Pshavela Ave.  
• Tel: 2323145  
• www.gergili.ge

## ■ GGM Management Company

• 13 Tamarashvili St., Tbilisi;  
• 107 Chavchavadze St., Batumi  
• Tel: 2555050  
• www.ggm.ge

## ■ GGU (Georgia Global Utilities)

• 10 M. Jugheli St, 0179  
• Tel: 2931111  
• www.ggu.ge

## ■ Giggles Ltd.

• 19th Floor, 37m Chavchavadze Ave.  
• Tel: 551108881  
• www.giggles.ge

## ■ Globalink Logistics LLC

• 60 Sh. Nutsbidze St., 0186  
• Tel: 2000238, 2208147  
• www.globalinkllc.com

## ■ GlovoApp Georgia

• 5 Mikheil Asatiani St., Floor 6  
• www.glovo.ge

## ■ GM Capital LLC

• 2 Tarkhnishvili St., 0179  
• Tel: 2912626  
• www.gmcapital.ge

## ■ GMC Motors

• 12th Km Kakheti Highway  
• Tel: 577 44 02 20  
• www.eg.ge

## ■ Golden Tulip Design Tbilisi Hotel

• 37 Ketevan Tsamebuli Ave, 0103  
• Tel: 2157157  
• www.goldentulip.com

## ■ Grata International

• 87 Z.Paliashvili St.  
• Tel: 2921878  
• www.gratanet.com/georgia/regions

## ■ Gvinadze & Partners LLC

• 10 Melikishvili St., 0179  
• Tel: 2438970, 2438971  
• www.gvinadzeandpartners.ge

## ■ HeidelbergCement Georgia

• 21 Al.Kazbegi Ave.  
• Tel: 2474747  
• www.heidelbergcement.ge

## ■ Herbalife Nutrition

• Bld. 4a Tamarashvili St., 0116  
• Tel: 2202929  
• www.herbalife.com

## ■ IG Development Georgia LLC

• 17 Floor, City Tower Business Center,  
• 70 Vazha-Pshavela Ave., 0186  
• Tel: 2200099  
• www.thecitymall.ge

## ■ Imperial Tobacco Production Ukraine

• 35 Akademika Zabolotnoho St. Kyiv

## ■ INDEX | Wealth Management

• 28 Otari Oniashvili St.  
• Tel: 2880888

## ■ Insta

• 8, Zakariadze St., 0177  
• Tel: 2202020  
• www.insta.ge

## ■ International Black Sea University

• David Agmashenebeli Alley 13 km,  
• 2, 0131  
• Tel: 2595005  
• www.ibsu.edu.ge

## ■ İsbank Georgia JSC

• Vake Plaza Business Centre,  
• 72a I.Chavchavadze Ave., 10th Fl.  
• Tel: 2442244  
• www.isbank.ge

## ■ JTI Caucasus

• VII Floor, Pixel Business Center,  
• 34 Chavchavadze Ave.  
• Tel: 2604111  
• www.jti.com

## ■ KK & Partners

• Office 6, 33 Nino Ramishvili St.  
• Tel: 2432227  
• www.kkpartners.ge

## ■ Kordzadze Law Office

• 19 Gorgasali St., 0105  
• Tel: 2380322  
• www.kordzadzelawoffice.ge

## ■ Legal Partners Associated LLC

• Office #203, Besiki Business Center,  
• 4 Besiki St. 0108  
• Tel: 2200203; Fax: 2250458  
• www.lpa.ge

## ■ Liberty Bank JSC

• 74 Chavchavadze Ave.  
• Tel: 2555500; Fax: 2912269  
• www.libertybank.ge

## ■ Lisi Development

• 2 Tiripebi St. 0159  
• Tel: 2002727  
• www.lisi.ge

## ■ LSG Solutions

• 10 Mikheil Asatiani St., 0177  
• Tel: 2054544  
• https://lsg.solutions

## ■ Luca Polare

• 54 Oniashvili St.  
• Tel: 2990399  
• www.lucapolare.com

## ■ M & M - Militzer & Munch Georgia

• 39 Ketevan Tsamebuli Ave.  
• Tel: 2748240, 2748941  
• http://ge.mumnet.com

## ■ Meama Ltd.

• 2 Givi Amilakhvari, Kakheti Highway  
• Tel: 2800808  
• www.meama.ge

## ■ Metropol Management LLC

• 4th Floor, 29 Ilia Chavchavadze Ave.,  
• 0179  
• Tel: 2230333  
• www.metropol.ge

## ■ MG Law Office LLC

• 17th floor, 60 Chavchavadze Ave.  
• Tel: 2206633  
• www.mglaw.ge

## ■ Moore abc

• 12 Tsintsadze Str / 2 Davit Gamrekeli  
• St., IV Floor, 0160  
• Tel: 2000123  
• www.moore-georgia.ge

## ■ Mosmieri LLC

• 7 Bambis Rigi St.  
• Tel: 2970420  
• www.mosmieri.ge

## ■ NCC Ltd.

• 5 Kutateladze St., 1st Floor  
• Tel: 2725088  
• www.ensisi.ge

## ■ Nestle Georgia LLC

• 8th Floor 35 Chavchavadze Ave.  
• Tel: 2921102  
• www.nestle.com

## ■ New Sales Ltd.

• 25 Kazbegi Ave., 0160  
• Tel: 577118111

## ■ Nexia TA

• Merab Aleksidze str. 12, King David  
• Business Center  
• Tel: 2242559  
• www.nexia.ge

## ■ Noblesse Art Gallery

• 4 Vashlovani St., 0108  
• Tel: 555881118  
• www.noblesse.gallery

## ■ Nodia, Urumashvili & Parnters

• Office #28, IV Block,  
• 71 Vazha-Pshavela Ave.  
• Tel: 2207407  
• www.nplaw.ge

■ **Nutrimax Ltd.**  
67b Ghoghoberidze St., Zemo  
Ponichala  
Tel: 2471242  
www.nutrimax.ge

■ **Olmait LLC**  
Apartment 52, 17 Beri Gabriel Salosi  
Ave.  
www.olmait.com

■ **Padel Island**  
34/36 Abashidze St.  
Tel: 595733533  
www.padelisland.ge

■ **PASHA Bank Georgia JSC**  
37M, Ilia Chavchavadze Ave.  
Tel: 2265000  
www.pashabank.ge

■ **Peri**  
8 Chachava St.  
Tel: 2528871  
www.peri.ge

■ **Policy and Management  
Consulting Group (PMCG)**  
61 Aghmashenebeli Ave, 4th floor  
Tel: 2921171  
www.pmcg.ge

■ **Prime Concrete**  
222 Apt. 11 Vazha-Pshavela Ave.  
Tel: 2224870  
www.primeconcrete.ge

■ **Primera Golf and Residence**  
Village Teleti, Gardabani  
Tel: 577402402, 599999904  
www.tbilisihills.com

■ **Pullman Tbilisi Axis Towers**  
37M Chavchavadze Ave.  
Tel: 2003322  
www.pullmantbilisi.com

■ **Qebuli Climate**  
40 Beliasvili St.  
Tel: 2473112  
www.qebuli-climate.ge

■ **Rentals LLC**  
46 Rustaveli Ave.; 36 Griboedov St.  
Tel: 2454567 / 2996412  
www.rentals.ge

■ **Resolution Insurance Brokers,  
Georgia LLC**  
28 A. Griboedov St., 0108  
Tel: 599906374  
www.rib.ge

■ **Rooms Hotels Lab LLC**  
14 Kostava St.  
Tel: 2400099  
www.roomshotels.com

■ **RSM Georgia LLC**  
85 Paliashvili St., 0162  
Tel: 2558899  
www.rsm.ge

■ **Sairme Resort LLC**  
Sairme Resort, Baghdati Region  
Tel: 2404545  
www.sairmeresort.ge

■ **Savvy**  
37 Ilia Chavchavadze Ave., Axis  
Towers, 17 Floor  
Tel: 2421342  
www.savvy.ge

■ **Schneider Group LLC**  
Vake Plaza Business Center, 72a  
Chavchavadze Ave.  
Tel: +374 60 50 66 05  
www.schneider-group.com

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

■ **SMEC International Pty.**  
15 Nikoloz Kipshidze St.  
Tel: 2537670; Fax: 2322607  
www.smec.com

■ **SOCAR Midstream Operations  
LLC Georgia Branch**  
14 Ialbuji St., Isani, 0144  
Tel: 322000989  
www.socarmidstream.ge

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

■ **Suknidze & Partners LLC**  
24 University St., 0186  
Tel: +995 599 55 90 90  
www.suknidzeandpartners.com

■ **Swissotel Tbilisi & Mercure  
Tbilisi Old Town**  
9 Gorgasali St., Old Tbilisi, 0105  
Tel: 2006060  
www.mercure.com

■ **T3Concept Ltd.**  
13 Radiani St., 0179  
Tel: 2434455  
www.turner.com, www.t3concept.ge

■ **TBC Leasing JSC**  
76b Ilia Chavchavadze Ave.  
Tel: 2272727  
www.tbcleasing.ge

■ **Tbilisi Philharmonic by Mercure  
Hotel**  
10 Melikishvili Ave., 0179  
Tel: 2447777  
<https://all.accor.com/hotel/C1N1/index.en.shtml?dateIn=2023-11-08&nights=1&compositions=1&stayplus=false&snu=false#origin=accor>

■ **Tbilisi View**  
Amagleba III Dead-end #3  
Tel: 2999980  
www.tbilisiview.ge

■ **Tegeta Motors LLC**  
Saburtalo District / David  
Aghmashenebeli Alley, N129  
Tel: 2264444  
www.tegetamotors.ge

■ **Terabank JSC**  
3 Ketevan Tsamebuli Ave.  
Tel: 2507700  
www.terabank.ge

■ **Theroux Law LLC**  
60b Chavchavadze Ave,  
17th Floor, #65  
www.theroux.co.uk

■ **Transporter LLC**  
70 Beliasvili St.  
Tel: 2147171  
<http://www.transporter.com.ge>

■ **Treimax Georgia LLC**  
4 John-Malkhaz Shalikhvili St.  
Tel: 790526622  
www.treimax.ge

■ **Unfound Door Ltd.**  
111 David Aghmashenebeli Ave.  
Tel: 595111282  
www.unfounddoor

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

■ **VBAT Law Firm**  
Office 11, 1 G.Nishnianidze St.  
Tel: 2305777  
www.vbat.ge

■ **Vinichio Valley**  
4 Besiki St., #52  
Tel: 551229966  
www.aric.ge

■ **Vinotel ("Aigvinissakhli") LLC**  
4 Elene Akhvediani Ascent  
Tel: 2555888  
www.vinotel.ge

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

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

■ **WST Georgia (SEA LLC)**  
44 Kote Apkhazi St., 0105  
Tel: +995 514 21 77 22  
www.wst.ge

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

## NON-PROFIT ORGANIZATIONS

■ **American Councils for  
International Education - Georgia**  
Chavchavadze Ave. Lane I, Building  
6, Entrance II, Floor II (Formerly  
35a Chavchavadze Ave.)  
Tel: 2594901  
www.americancouncils.org

■ **American Friends of Georgia**  
77 Nutsudidze St.  
Tel: 2397174; Fax: 2388495  
www.afgeorgia.org

■ **CENN**  
27 Betlemi St., 0105  
Tel: 2751903  
www.cenn.org

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

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

■ **Georgia Red Cross Society**  
55 Egnate Ninoshvili St.  
Tel: 2961092  
www.redcross.ge

■ **Georgian Center for Strategy  
and Development**  
N48/50 Mtskheta St.  
Tel: 2222667  
www.gcsd.org.ge

■ **International Executive Service  
Corps Georgia Branch**  
2nd Floor, 83 Paliashvili St.  
Tel: 577 732929  
www.iesc.org

■ **MAC Georgia**  
3 Lado Kavsadze St, 2nd Floor  
Tel: 2197378  
www.macgeorgia.org

■ **PH International**  
17D Chavchavadze Ave., 1st Floor,  
Apartment # 1  
Tel: 2990049; 2233338;  
www.ph-int.org

■ **QSI International School of  
Georgia**  
Village Zurgovani, Tbilisi  
Tel: 2537670; Fax: 2322607  
www.qsi.org

■ **Sadagi**  
4 Griboedov St.  
Tel.: 599355059  
www.sadagi.ge

■ **The Salvation Army**  
16 Ikalto St.  
Tel: 2333785  
www.salvationarmy.ge

■ **San Diego State University -  
Georgia**  
5 Kostava St. 0108  
Tel: 2311611  
www.georgia.sdsu.edu

■ **Transparency International  
Georgia**  
61 Aghmashenebeli Ave. 0102  
Tel: 2932129  
www.transparency.ge

■ **UN Global Compact Network  
Georgia**  
34 I. Abashidze St.  
595011515  
www.unglobalcompact.org

■ **Webster University Georgia**  
Floor 5, Building 3, 82 Ilia  
Chavchavadze Ave.  
Tel: 577235029  
www.webster.edu

## Board Of Directors 2023



IRAKLI BAIDASHVILI  
President



R. MICHAEL COWGILL  
First Vice President



GEORGE TKHELIDZE  
Vice President and Treasurer



COLIN DONOHUE  
Director



AYTEN HAJIYEVA  
Director



OTAR KIPSHIDZE  
Director



CRAIG KRAMER  
Director

### AmCham Executive Director

GEORGE WELTON

### Editor

MACKENZIE BALDINGER

### Marketing & Promotion

NINI KAPANADZE

### Promotional Design

LEVAN BARATASHVILI

### Magazine Design and Layout

GIORGI MEGRELISHVILI

### Writers

SALLY WHITE, MACKENZIE BALDINGER, GIORGI JANGIANI AND LUKA TCHOVELIDZE

SPECIAL THANKS TO ALL THE CONTRIBUTORS TO THE MAGAZINE, ESPECIALLY OUR MEMBER COMPANIES FOR THEIR CONTRIBUTIONS, AMCHAM GEORGIA STAFF AND ALL OUR CONTRIBUTORS.

THIS MAGAZINE WOULD NOT BE POSSIBLE WITHOUT YOUR HELP.





JORDI KUIJT  
Director



SANDRO SHELIA  
Director



KETTI KVARTSKHAVA  
Director



GEORGE SVANADZE  
Director



SARAH WILLIAMSON  
President Emeritus



BETSY HASKELL  
Ex-Officio Advisor



GEORGE WELTON  
Exec. Director

#### AmCham Georgia Patron Members:



BANK OF GEORGIA



© The American Chamber of Commerce in Georgia, 2018

All rights reserved. No part of this magazine may be re-printed, or reproduced or utilized in any form or by electronic, mechanical or other means now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system without permission.

The opinions expressed in this magazine do not reflect the opinion of the American Chamber of Commerce in Georgia nor its Board Members or staff, unless otherwise stated. AmCham Georgia neither endorses, nor can be

held liable for any eventuality arising from the use of any product or service advertised within the pages of this issue.

AmCham Georgia:

36a Lado Asatiani Street, 3<sup>rd</sup> floor. Tel: 2 22-69-07

amcham@amcham.ge

[www.investor.ge](http://www.investor.ge)



**GLOBALINK**  
LOGISTICS

ONE STOP  
LOGISTICS  
SOLUTION



[tbilisi@globalinklogistics.com](mailto:tbilisi@globalinklogistics.com) | [www.globalinklogistics.com](http://www.globalinklogistics.com)



# EXPERTISE EXPERIENCE EFFICIENCY

BGI is Georgia's leading independent full-service law firm, top-ranked in every service area, by every international legal directory that covers Georgia (Chambers Global, Chambers Europe, PLC, Legal 500 and IFLR1000). Our practice offers unparalleled diversity and breadth in its ability to handle multiple major mandates at the same time as well as to guide clients through Georgia's fast-paced economic transition and increasingly regulated statutory framework.



EXPERTISE. EXPERIENCE. EFFICIENCY.

For more information contact BGI partners  
Sandro Bibilashvili ([Sandro.bibilashvili@bgi.ge](mailto:Sandro.bibilashvili@bgi.ge)) or  
Giorgi Sarajishvili ([giorgi.sarajishvili@bgi.ge](mailto:giorgi.sarajishvili@bgi.ge))  
Meidan Palace Business Center  
44, Kote Abkhazi Street  
Tbilisi, 0108, Georgia

[WWW.BGI.GE](http://WWW.BGI.GE)



# Challenging the status quo in Infrastructure.

**Otar Kipshidze**

Georgia Managing Partner  
otar.kipshidze@dentons.com

**Avto Svanidze**

Partner  
avto.svanidze@dentons.com

**Dentons Georgia**

8a Melikishvili street, Tbilisi 0179, Georgia  
T: +995 32 2509300 F: +995 32 2509301

Grow | Protect | Operate | Finance

**Dentons, the law firm  
of the future is here.**

**dentons.com**