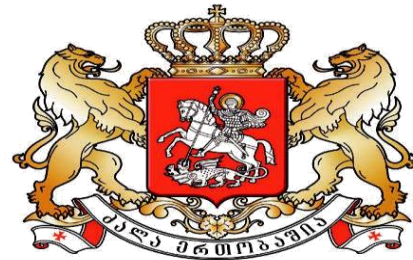


GEORGIA

SAMEGRELO – ZEMO SVANETI



Georgia – facts and figures

Regions of Georgia

- **Population – 3.7 mln.**
- **Area – 69 700 sq.km**
- **Capital – Tbilisi**
- **Currency – Lari (Gel)**
- **Inflation rate average – 3.8%**
- **GDP – \$17.7 bln.**
- **GDP real growth – 5.1%**
- **GDP per capita - 4765.5 USD**
- **DFI – \$1 310.78USD**
- **Unemployment rate – 11.6 %**
- **External trade turnover – \$13 315.4 mln.**
- **Sovereign Credit Rating – BB positive 4,1%**
- **Ease of doing business by world bank – 7 position**
- **Currency rates – 1 USD – 3.3Gel.**



ADVANTAGES OF INVESTMENT CLIMATE IN GEORGIA

- * A politically stable investment destination
- * Efficient, pro-business and corruption-free government
- * Free trade agreement with 2.3 billion markets
- * Competitive cost of labor and energy
- * Entry gate between Europe and Asia
- * Stable Macroeconomic situation and solid sovereign balance sheet
- * Simple, low and efficient taxation
- * 7th easiest country to do business in
(World Bank's Ease of Doing Business Report 2020)
- * 6th safest country in the world
(Numbeo's Crime Index, 2019)

FitchRatings

BB

**STANDARD
& POOR'S**

BB Stable

MOODY'S
INVESTORS SERVICE

Ba2 Stable

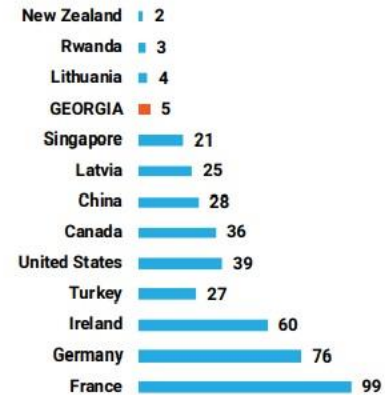
GEORGIA RANKS 7TH IN DOING BUSINESS REPORT

Country's impressive progress in improving business climate has been well documented in a number of international indices

STARTING A BUSINESS



REGISTERING A PROPERTY



Source: **World Bank, Ease of Doing Business 2020**
(Rank out of 190 countries)

PREFERENTIAL TRADE REGIMES

- * Deep and Comprehensive Free Trade Area (DCFTA) with EU
- * Free Trade Agreement with the People's Republic of China (Including Hong Kong)
- * Free Trade Agreements (FTA) with EFTA Countries (Iceland, Norway, Switzerland, and Liechtenstein), Ukraine, Turkey and CIS countries
- * GSP agreement with USA, Canada and Japan
- * Member of WTO
- * Very simple and service oriented customs policy and administration – customs clearance in 5-6 minutes
- * 80% of goods are free from import tariffs
- * No quantitative restrictions



Samegrelo – Zemo Svaneti Region

- ✓ *Samegrelo-zemo svaneti region is located in the western part of Georgia.*
- ✓ *The total area of the region is 7441 sq. Km.*
- ✓ *In the west region shares borders with black see, in the north-west- Autonomous Republic of Abkhazia, in the north – Russian Federation and in the east – Imereti and Racha – Lechkumi – Kvemo Svaneti regions.*
- ✓ *Population of the region is 311 000. Population density is 43 people per sp.km.*



Samegrelo – Zemo Svaneti Region

- ✓ *Samegrelo-Zemo Svaneti region includes 9 self-governing units: Zugdidi, AbaSha, Chkhorotsku, Khobi, Martvili, Senaki, Tsalenjikha, Mestia Municipalities and Poti city.*
- ✓ *40,3% of the population lives in cities and towns and 59.7% lives in the villages. High mountain settlements (over 1000 m) include 136 villages of Mestia Municipality and 1 Village of Martvili Municipality.*
- ✓ *At the regional level, the executive power of the state is represented by the state Representative, whose administration is located in the city of Zugdidi. Zugdidi is located at 325 km from the capital city Tbilisi.*



Transport

- In light of the Globalization process and due to the location of Georgia, the country's economic development is directly related to the proper and effective functioning of the transport sectors.
- Georgia is located at the crossroad of Europe and Asia where the transportation of strategic goods is conducted.
- Role of Samegrelo-Zemo svaneti has key importance in this context due to its strategic location on black sea coast.

TRANSPORT NETWORK IN GEORGIA

Poti Sea Port

- Port has 15 berths
- Depth: 8-11m
- Annual Capacity: 4 mln tons of dry cargo, 1 mln tons of oil products, 1.0 mln. Ferry cargo, 500,000 TEU
- APM terminals

Batumi Sea Port

- Port has 11 berths
- Depth: 9-12m
- Annual Capacity: 15 mln tons of oil products, 2 mln tons of dry cargo, 0.7 mln. tons Ferry cargo, 100,000 TEU, 180,000 passengers
- JSC KazTransOil

Kulevi Oil Terminal

- Crude oil, petroleum and lubricants
- Capacity 6mln. t/year
- State Oil Company of Azerbaijan (SOCAR)

Supsa Oil Terminal

- Crude oil
- Capacity 8 mln t/year
- BP

New Anaklia Deep-sea port

- Depth: 18-20m
- Annual capacity of the Phase I: 8 mln tons of cargo
- Total investment: 2.5 bln USD
- Phase I: 586 mln USD
- LTD Anaklia Development Consortium

Railway

- Infrastructure: 1 443.2 km (approx. 90% electrified); modernization in progress (capacity: 28 mln t/year)
- Main line Length: 460 km (100% electrified)
- New railway line Baku-Tbilisi-Kars (BTK) linked to Turkish railway networks: 180 km (capacity: 5-15 mln. t/year)

Main Road Network

- Total Length: 20 thousand km
- Capacity: min. 8-10 thousand motor vehicles per day, max. 50 thousand motor vehicles per day (highway)
- 190 km new Highway constructed

Tbilisi international airport

- 3,164,139 passengers in 2017

Batumi international airport

- 495,668 passengers In 2017

Kutaisi international airport

- 405,173 passengers in 2017 (incl. low-cost airlines)



Oil/Gas Pipelines

- Baku-Supsa (8 mln t/year)
- Baku-Tbilisi-Ceyhan (60 mln t/year)

Transport

- Length of black sea coast of Georgia – 315 km. (42km-Samegrelo-Zemo Svaneti region).
- Main sea port – Poti sea port.
- Under construction – Anaklia deep sea port
- Kulevi oil terminal
- Length of international roads in region – 122 km.
- Railway and road systems are connecting Poti sea port, constructing Anaklia sea port and Kulevi oil terminal to the main transport hubs.
- Nearest international airport is located in Kutaisi city (100 km. from Zugdidi. 90 km. from Poti city)
- 1 domestic airport in Mestia municipality
- GDP generated in transport sector - \$107 mln.

- ✓ **Poti** is a port city in Georgia, located on the eastern Black Sea coast in the region of Samegrelo-Zemo Svaneti in the west of the country. Today Poti City plays an important role in the economic development of Georgia.
- ✓ **Poti Sea Port is one of the largest ports at Black Sea. Poti lies on TRASECA corridor and has a transit function between Europe and Asia.**
- ✓ **Poty has an experience of ship construction from the soviet times and there is possibility of transforming this experiance to the modern ships and yacht construction industry.**



✓ Goods (freight) turnover.
2019: 8 850 000 tons

✓ 2018-363,936 TEU
2019-485.410 TEU



Imports: Azerbaijan, Armenia, Central Asian countries
Exports: Europe, America, China

The main types of cargo (Poti Sea Port)

- Container
- Oil products
- General cargoes (design cargoes, equipment, construction equipment, trucks Cars, railway carriages)
- Bulk cargo (grain, copper concentrates, fertilizer, coal, clinker, iron Ore, ferrosilicon manganese)

Poti Free Industrial Zone (FIZ)

TAX ADVANTAGES		
	TAXES IN POTI FIZ	TAXES IN GEORGIA
IMPORT TAX	0%	up to 12%
CORPORATE INCOME TAX	0%	15%
PERSONAL INCOME TAX	20%	20%
VAT	0%	18%
PROPERTY TAX	0%	1%
DIVIDEND TAX	0%	5%



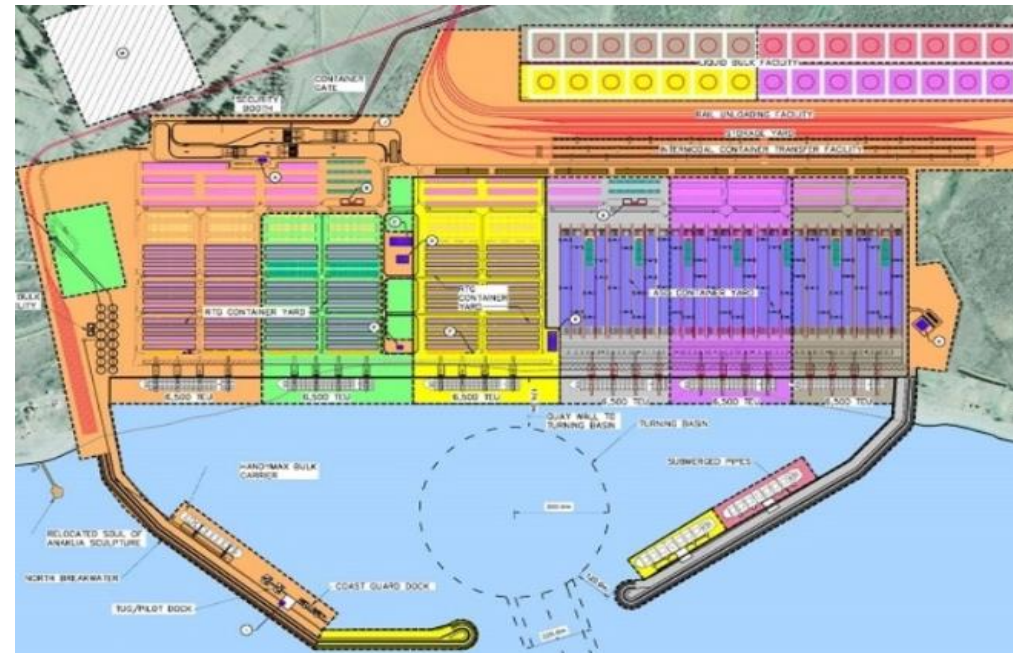
IMPORT AND EXPORT TAXATION BETWEEN POTI FIZ AND GEORGIA	
IMPORT FROM GEORGIA TO POTI FIZ	4% duty (out of invoice value)
IMPORT FROM OTHER COUNTRIES TO POTI FIZ	0%
EXPORT FROM POTI FIZ TO GEORGIA	4% duty (out of invoice value)
EXPORT FROM POTI FIZ TO OTHER COUNTRIES	0%
NOTE: BUYER COMPANY IN GEORGIA PAYS TAX ON IMPORT (0-12%) AND VAT - 18%	



Anaklia Deep Sea Port

The Port of Anaklia sits on the shortest route from China to Europe, a route that has become a major focal point of Chinese investments in infrastructure. As such, the port will attract high-value cargos seeking the fastest travel between Chinese and European Markets.

with an aggregate investment of \$2.5 billion. Anaklia Port's depth will be 16 meters which enables to berth vessels up to 10,000 TEUs in capacity.



**THANK YOU FOR YOUR
ATTENTION**