Country Overview

Area: 69 700 sq km
Population 2008 E: 4 630 841
Life expectancy: 76.51 years
Official language: Georgian
Literacy: 100%
Capital: Tbilisi
Currency (code): Lari (GEL)
GDP 2008E: US$ 12.80 billion
GDP - real growth rate 2008E: 2.1%
GDP - Per Capita 2008 US$ 2 920.3
Inflation rate 2008 (average annual): 10.0%
External debt to GDP 2008: 21.4%
Liberal Reforms for Long Term Sustainable Growth

• **Liberal Tax Code**
  - Only 6 taxes left
  - Significant procedural and institutional reforms
  - Simplified system of tax disputes discussion

• **Customs Reform**
  - Simplified customs procedures
  - Simplified and sharply reduced the costs connected to the foreign trade
  - Number of import tariffs were abolished on approximately 90% of products
  - 3 tariff rates (0%, 5%, 12%) remained
  - No quantitative restrictions (quotas) on imports and exports

• **Modernized system of Licenses and Permits**
  - Number of licenses and permits reduced by 84%
  - Licenses and permits are only used in the production of highly risky goods and services, usage of natural resources and other specific activities
  - Significantly simplified procedures of issuing licenses and permits
  - Introduced “one-stop shop” and “silence is consent” principles
Liberal Reforms for Long Term Sustainable Growth

• **The reform of Technical Regulation System**

- National mandatory standards system was replaced by the voluntary standards, giving entrepreneurs the possibility:
  - To select the standard for his activities registered in the country
  - To use the standard of any country or any regional or international standard
  - To register standards in Georgian National Agency for Standards, Technical Regulations and Metrology and to use them for entrepreneurial activities
  - To elaborate own standard for new goods, register it in the national agency and use it in entrepreneurial activity
  - To obtain consultations for the selection and elaboration of standards

- Declined role of state in the system of technical regulation

• **Liberal Labor Code - one of the most liberal in the world**

- Simplified relations between employers and employees
- Significantly reduced hiring and firing expenses
Economic Growth

Nominal and Real GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal GDP (bln. USD)</th>
<th>GDP Real Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.0</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>5.1</td>
<td>11.1</td>
</tr>
<tr>
<td>2005</td>
<td>6.4</td>
<td>9.6</td>
</tr>
<tr>
<td>2006</td>
<td>7.8</td>
<td>9.4</td>
</tr>
<tr>
<td>2007</td>
<td>10.2</td>
<td>12.3</td>
</tr>
<tr>
<td>2008</td>
<td>12.8</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Components of Nominal GDP 2008

- Trade: 13.9%
- Agriculture: 8.9%
- Manufacturing: 8.2%
- Transport: 6.6%
- Construction: 5.3%
- Health care: 4.1%
- Other: 53.0%

Nominal GDP Per Capita

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Per Capita (USD)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>919</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>1,187.6</td>
<td>18.2</td>
</tr>
<tr>
<td>2005</td>
<td>1,483.5</td>
<td>29.2</td>
</tr>
<tr>
<td>2006</td>
<td>1,763.5</td>
<td>24.9</td>
</tr>
<tr>
<td>2007</td>
<td>2,314.6</td>
<td>18.9</td>
</tr>
<tr>
<td>2008</td>
<td>2,920.3</td>
<td>26.2</td>
</tr>
</tbody>
</table>

Year 2008

Fastest growing sectors of Georgian Economy

- Mining and Quarrying - 17.0%
- Communications - 14.5%
- Education - 13.7%
- Trade and repair services - 10.4%
- Health care and social security - 5.9%
Consumer Price Index

Consumer Price Index 2008

- End of period Inflation - 5.5%
- Average annual Inflation - 10%
Labour Market

• Challenge: structural unemployment/job mismatch

• Response: State Programs:
  ✓ Vocational Training and Retraining, Development of Professional Training Infrastructure “Professional Education for Employment” (PPP format)
  ✓ “Cheap Credit”, “100 new Agro Industry Enterprises”

• Unemployment rate declined to 13.3% in 2007, down 0.3% y-o-y

• Employed population - 1,678.7 thousand, among which:
  ✓ Salaried employees - 625.4 thousand (+3.5% 07/’06)

• Accelerated growth rate of the number of salaried employed and decrease of the number of self-employed

Unemployment Rate %

Monthly Salary of Employed in State and Non-state Enterprises
Ministry of Economic Development of Georgia

Poverty Level

Subsistence Level 2004-2008

• Subsistence Level has increased by 51.7%

Poverty Level 2004-2008

• Poverty Level has declined by 2.5 point

• Poverty depth has declined by 1.1 point

• Poverty Severity has declined by 0.8 point
Ministry of Economic Development of Georgia

Foreign Trade

Foreign Trade 2008

- Total trade turnover - 7 555.8 mln. USD (17.2% increase)
  - Export - 1 497.7 mln. USD (21.5% increase)
  - Import - 6 058.1 mln. USD (16.2% increase)

In 2004-2008 Georgian trade turnover increased by 203.2%

Export, Import, Trade Deficit

Foreign Trade Turnover 2003-2008

10 Main Trade Partners 2008

Source: Department of Statistics
Foreign Trade

Foreign Trade With Country Groups 2008

- **Foreign trade turnover with EU** - 2000.5 mln. USD (10.7% increase)
  - **Export** - 335.2 mln. USD (24.8% increase)
  - **Import** - 1665.3 mln. USD (8.2% increase)

- **Foreign trade turnover with CIS** - 2542.9 mln. USD (9.9% increase)
  - **Export** - 542.5 mln. USD (17.4% increase)
  - **Import** - 2000.5 mln. USD (8% increase)

Source: Department of Statistics of Georgia

Ministry of Economic Development of Georgia
Diversified Trade Structure

Export structure by country 2008

- Turkey: 17.6%
- Azerbaijan: 13.7%
- Ukraine: 9.0%
- Canada: 8.8%
- Armenia: 8.3%
- Bulgaria: 7.2%
- USA: 6.8%
- Mexico: 3.5%
- France: 2.7%
- UK: 2.9%
- Other: 19.5%

Import structure by country 2008

- Turkey: 15.5%
- Ukraine: 10.9%
- Azerbaijan: 10.0%
- Germany: 7.2%
- Russia: 7.0%
- China: 4.9%
- UAE: 4.5%
- USA: 4.0%
- Italy: 3.0%
- Turkmenistan: 2.2%
- Other: 30.8%

Export structure by product 2008

- Ferro-alloys: 17.8%
- Scrap metals: 8.6%
- Ores: 7.9%
- Wines: 2.5%
- Cement: 5.3%
- Gold: 6.7%
- Other: 44.2%

Import structure by product 2008

- Oil and oil products: 12.6%
- Oil gases: 3.4%
- Pharmaceuticals: 3.1%
- Bars and roads: 1.8%
- Wheat: 1.8%
- Flour: 1.2%
- Manganese ores: 1.2%
- Other: 74.9%

Source: Department of Statistics of Georgia
Trade Policy

Competitive Trade Regimes

• Free Trade Regime - with CIS countries and Turkey (since November 1, 2008)
• Most Favored Nation Regime (MFN) - with World Trade Organization (WTO) member countries
• Preferential Regime (GSP) - with USA, Canada, Japan, Switzerland, Norway
• Preferential Regime (GSP+) - with EU (7200 items) since 2005

Possibility of FTA with EU in nearest future

Main Features of Georgian Trade Policy

• Low import tariffs (90% of goods free from import tariff)
• Few export/import licenses and permits
• No quantitative restrictions on import and export
• No customs tariff on export and re-export
• No VAT on export
• Simplified export and import procedures

Export Promotion Department was established for export facilitation
Foreign Direct Investment

Year 2008

- FDI - 1,564 mln. USD
- Reduction - 22.4%
- Share of FDI in GDP - 12.2%

Growth in 2003-2008 - 360%
Growth in 2003-2007 - 492.4%

Pipeline and Non-Pipeline Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>BP Investment</th>
<th>Other FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>61 107</td>
<td>231 109</td>
</tr>
<tr>
<td>2003</td>
<td>360 139</td>
<td>265 185</td>
</tr>
<tr>
<td>2004</td>
<td>265 185</td>
<td>306 884</td>
</tr>
<tr>
<td>2005</td>
<td>89.5</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>973.9</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>973.9</td>
<td></td>
</tr>
</tbody>
</table>

FDI inflows

<table>
<thead>
<tr>
<th>Year</th>
<th>USD mln.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>340.1</td>
</tr>
<tr>
<td>2004</td>
<td>499.1</td>
</tr>
<tr>
<td>2005</td>
<td>449.8</td>
</tr>
<tr>
<td>2006</td>
<td>1190.4</td>
</tr>
<tr>
<td>2007</td>
<td>2014.8</td>
</tr>
<tr>
<td>2008</td>
<td>1564.0</td>
</tr>
</tbody>
</table>

FDI breakdown by origin

<table>
<thead>
<tr>
<th>Country</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>15.7%</td>
<td>14.9%</td>
<td>19.6%</td>
</tr>
<tr>
<td>USA</td>
<td>15.3%</td>
<td>11.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>12.8%</td>
<td>9.3%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Turkey</td>
<td>10.9%</td>
<td>7.8%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>6.5%</td>
<td>7.4%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Norway</td>
<td>6.5%</td>
<td>7.2%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Virgin Islands</td>
<td>4.9%</td>
<td>6.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Italy</td>
<td>4.0%</td>
<td>4.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Denmark</td>
<td>3.6%</td>
<td>4.4%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>3.4%</td>
<td>4.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>83.6%</td>
<td>77.9%</td>
<td>84.9%</td>
</tr>
<tr>
<td>Other</td>
<td>16.4%</td>
<td>22.1%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Department of Statistics of Georgia
Foreign Direct Investment

FDI by Sectors 2007 (%):
- Banking: 6.8
- Energy: 18.0
- Industry: 19.8
- Construction: 8.5
- Transport and communications: 20.7
- Real estate: 1.5
- Other services: 19
- Agriculture: 0.8
- Other: 4.9

FDI by Sectors 2008 (%):
- Banking: 0.5
- Energy: 18.9
- Industry: 13.3
- Services: 18.1
- Real estate: 17.8
- Construction: 3.6
- Transport and communications: 27.0
- Other: 0.3

FDI by Sources 2007 (%):
- Enterprises: 76
- Privatization: 17.2
- Banking: 6.8

FDI by Sources 2008 (%):
- Privatization: 17.8
- Enterprises: 81.6
- Banking: 0.5

Source: Department of Statistics of Georgia
• Georgia’s banking sector represents only a moderate contingent liability of the sovereign
• Entirely private owned since 1996
• No restrictions on foreign ownership of banks
• Well capitalised with average BIS capital adequacy ratio of 19%
Foreign Direct Investment

FDI attraction - one of the main priorities of state

FDI supportive policy

• Georgian National Investment Agency
• Simplified regulations
• Reduced taxes
• Legislative basis
  ✓ Law on State Support of Investments
  ✓ Law on Free Industrial Zones
• Free Industrial Zones - preferences for investors
  ✓ Tax incentives
  ✓ Simplified procedures

Establishment of Free Industrial Zones - new possibility for investors

• Free Trade Agreements with US and EU in the future
Free Industrial Zone

Free Industrial Zones - facilitation of regional economic development, employment generation and job creation

Free Industrial Zones - preferences for investors
✓ Tax incentives
✓ Simplified procedures

• Poti FIZ - Rakia Georgia FIZ
✓ More than 105 mln USD in 2009-2013
✓ More than 10 000 employed people
✓ Development of industry, logistic parks, business centers

Possible future projects
• Kutaisi FIZ - Georgian International Holding
✓ More than 3 bln USD during 3 years
✓ More than 20 000 employed people
✓ Development of industry

• Tbilisi iCity - Lilo 1
✓ More than 7 hundred registered companies during 5 years
✓ More than 8 hundred employed people
✓ More than 700 bln capital inflow to Georgian banks

• Airport City
Tax Policy

Reduced number of taxes from 21 to 6 (2004-2008)

Reduced Tax rates (see below)

• Personal Income Tax - 20%

• Corporate Income Tax - 15%

• VAT - 18%

• Excise Tax - Varies

• Customs Tax - 0%, 5% or 12%

• Property tax - 1% on the self-assessed value of property
Tax Reduction

Income Tax and Social Tax

Corporate Profit Tax

Dividends and Interest Income Taxation

Value Added Tax

Ministry of Economic Development of Georgia
Special Taxation Regimes

- Special taxation systems have been adopted for the different regimes aimed at establishing new international financial institutions in the country, encourage economic growth, support sustainable development and the trade-transit function of Georgia

<table>
<thead>
<tr>
<th>Type of tax</th>
<th>An international financial company</th>
<th>Free industrial zone (for International Companies) 0%</th>
<th>Free warehouse company (from re-exporting of foreign goods) 0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax</td>
<td>(from financial services) 0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added Tax</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Customs Tax</td>
<td>0%, 5% or 12%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>up to 1%</td>
<td>0%</td>
<td>up to 1%</td>
</tr>
<tr>
<td>Personal Income Tax</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Net Operating Losses (years):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Carry back</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• Carry forward</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Ministry of Economic Development of Georgia
**Fiscal and Monetary Performance**

### Tax Revenue Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Revenue GEL</th>
<th>Budget Revenue (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>2,269</td>
<td>23%</td>
</tr>
<tr>
<td>2005</td>
<td>2,810</td>
<td>24%</td>
</tr>
<tr>
<td>2006</td>
<td>3,695</td>
<td>27%</td>
</tr>
<tr>
<td>2007</td>
<td>4,973</td>
<td>29%</td>
</tr>
<tr>
<td>2008</td>
<td>5,791</td>
<td>30%</td>
</tr>
<tr>
<td>2009</td>
<td>5,805</td>
<td>27%</td>
</tr>
</tbody>
</table>

*Decrease in budget revenue as percent of GDP is caused by tax cuts effective from 1 January 2009*

### Exchange Rate Evolution (Period Average)

- **GEL/US$**
- **GEL/EUR**
- **GEL/GBP**

### NBG’s Gross FX Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>USD mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,157</td>
</tr>
<tr>
<td>2004</td>
<td>2,432</td>
</tr>
<tr>
<td>2005</td>
<td>2,380</td>
</tr>
<tr>
<td>2006</td>
<td>2,267</td>
</tr>
<tr>
<td>2007</td>
<td>2,810</td>
</tr>
<tr>
<td>2008</td>
<td>3,695</td>
</tr>
<tr>
<td>2009</td>
<td>4,973</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance of Georgia

Source: National Bank of Georgia
Current Account Balance

Exports and Imports

- Note: Updated as of 10 April 2009
- *Donor inflows include both public and private sectors. Donor inflows in 2009 is adjusted according to the banking sector foreign debt outflows
- Source: National Bank of Georgia, Minister of Finance of Georgia

Remittances

Source: National Bank of Georgia

Ministry of Economic Development of Georgia
Global Financial Crisis

- In October 2008, Global Financial Crisis impact on Georgia’s macroeconomic outlook through decreasing export and other related indicators

Real GDP growth - 2008

Source: Department of Statistics
Tourism

• In 2008 number of visitors to Georgia amounted to 1 290 107 thsd. persons

• Increased by 23% compared to 2007

• The largest share of visitors falls on CIS countries - 61%

Arrivals of non-resident visitors

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1051769</td>
<td>1290107</td>
<td>23</td>
</tr>
<tr>
<td>EUROPE</td>
<td>1009666</td>
<td>1243783</td>
<td>23</td>
</tr>
<tr>
<td>Europe without CIS</td>
<td>353924</td>
<td>459272</td>
<td>30</td>
</tr>
<tr>
<td>CIS</td>
<td>655742</td>
<td>784511</td>
<td>20</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>16865</td>
<td>17489</td>
<td>4</td>
</tr>
<tr>
<td>EAST ASIA/PACIFIC</td>
<td>9415</td>
<td>9459</td>
<td>0.5</td>
</tr>
<tr>
<td>MIDDLE EAST</td>
<td>2490</td>
<td>3245</td>
<td>30</td>
</tr>
<tr>
<td>SOUTH ASIA</td>
<td>10873</td>
<td>13457</td>
<td>24</td>
</tr>
<tr>
<td>AFRICA</td>
<td>883</td>
<td>640</td>
<td>-28</td>
</tr>
</tbody>
</table>

Source: Department of Tourism of Georgia
• 2003-2008 - 3,494 items were privatized
• Total amount - more than 2.27 bn. GEL
• **New Numbering System** and Plan for E-Communications Network of Georgia has been elaborated by the MoED and currently takes procedures forced by law

• The Law of Georgia on E-signature and E-documents was adopted in April, 2008

• Georgian Government has launched new **Georgian Government Network (GGN)** project from November, 2006

  ✓ At the end of 2008, “Macticom” LTD 3 months ahead completed first phase building process of GGN
  ✓ More than 400 Ministries and other entities are involved in the process
  ✓ The project considers building the governmental network between state bodies
Statistics

Reform of the National Statistics System (NSS)

- **Main aim**
  
  ✓ Set up independent statistics body  
  ✓ Ensure high quality and reliability of statistical data  
  ✓ Consider international best practices

- **Preparation Process**
  
  ✓ Creation of special task force by special decree of the Government (December, 2008)
  ✓ Elaboration of the concept for the reform and submit it to the public and Government for discussion
  ✓ Task Force consists of independent experts, representatives of international organizations and non-governmental institutions
Technical Regulations

Standardization

• Georgian National Agency for Standards, Technical Regulations and Metrology has become an affiliated member of European Committee for Standardization (CEN) from April 1, 2008

• Georgia has been an associate member of General Conference of Weights and Measures (GCPM) from 1st of April 2008

• A bilateral project with German National Metrology Institute PTB - “Promotion of Quality Infrastructure in Georgia with special regard to Legal Metrology” started in February, 2008

• Implementation phase of EC TACIC project “Support to Implementation of Art. 51” (Quality Management System) has started

• Permanent analysis of Georgian legislation is carried out. 75 laws, applied in the field of technical regulation, are registered in the register of standards and technical regulations

• The New and Global Approach Directives and standards harmonized with them (Georgian version) are being gradually updated on the web page of the Agency
Accreditation

• Signing of “Cooperation Agreement” between European Cooperation of Accreditation (EA) and Georgian Accreditation Center

• On April 26, 2008 was sighed an “Agreement between Turkish Accreditation Agency (TURKAK) and The Georgian National Body on Accreditation - Center of Accreditation (GAC) on Cooperation in the Field of Accreditation”

• A list of international standards in the field of accreditation was translated and is officially registered by Accreditation Center

• National Accreditation Center and The State Standardization Committee of Byelorussia conducted inter laboratory testing for the accredited laboratories of Georgia and Byelorussia in 2008. Test was carried out in accordance with international standards and confirmed (wine, brandy) high quality of Georgian products and their conformity with international standards
Transport Infrastructure
Railway Transport

- In 2008 the Georgian railway carried:
  - 21.2 million tons of cargo
  - 10.0 million tons of crude oil and oil products
  - 3.4 million passengers

- Infrastructure Projects:
  - Construction of New Railway Line - Baku-Tbilisi-Kars connecting Caucasus rolling stocks to Europe Railway
  - Rehabilitation of Bridges on the Main Line and Main Line sections
  - Renewal of wagons and vehicles

- Capacity Improvement Facilitation:
  - Organization of Direct International Rail-Ferry Connection between Poti/Batumi (Georgia) and Kerch (Ukraine) Sea ports
Transport Infrastructure (cont.)
Road Transport

- In 2008 Georgian road transport carried:
  - 27.8 million tons of cargo
  - 301.4 million passengers

- Infrastructure Projects:
  - Modernization of the East-West Highway of Georgia in line with international standards ensuring high safety level
  - Rehabilitation of more than 450 km of international and local roads (WB loan)
  - Rehabilitation of Samtskhe-Javakheti 300 km roads in MCG grant project frame

- Capacity Improvement Facilitation:
  - Signing of intergovernmental Agreement with the Czech Republic, Hungary, Slovakia, Poland, Estonia, Finland, Moldova and Tajikistan on International Road Transport
  - Road Safety Policy:
    - “Georgian National Road Safety Strategy” (adopted)
    - National Road Safety 4 year Action Plan
Transport Infrastructure (cont.)
Civil Aviation

• **In 2008, international airports of Georgia served:**
  ✓ 0.804 million passengers.

• **Infrastructure Projects:**
  ✓ Two new International Airports - Tbilisi and Batumi (constructed)
    • new passenger terminals
    • modern equipments (ICAO standards)

• **Capacity Improvement Facilitation:**
  ✓ International Agreement:
    • European Common Aviation Agreement - promoting free competition and liberalization air traffic, (negotiation started)
    • Agreements on Air Transport with - Republic of Armenia; Swiss Confederation; Azerbaijan (signed)
    • Air Services Agreements with - the United Arab Emirates, China, UK and Ukraine (planned to sign)
  ✓ Integration in the European air navigation system - membership in EUROCONTROL
18.5 million tons of cargo was processed at the sea ports in 2008:

- Poti Sea Port - 8.0 million tones
- Batumi Sea Port - 8.7 million tones
- Kulevi Sea Port (constructed) - 1.3 million tons
- Supsa Seaport - 0.6 million tones

Infrastructure Projects:

- Poti Seaport
  - totally private - “Ras al Khaiman Investment Authority”
  - new seaport capacity 20-25 mln tonnes
- Batumi Seaport
  - Totally private - “Kazmunaigaz”
  - container transportation (started)
- Kulevi Seaport
  - Private management - SOCAR
  - total capacity - 4 million tones (operating)

Capacity Improvement Facilitation:

- Developing existing and new maritime ferry connections between the Black Sea ports of Georgia and other countries
Georgia in International Ratings

First Reformer in 2005-2009 in ECA region


Improved positions in:

✓ Starting a Business - 6 steps up
✓ Dealing with Construction Permits - 1 step up
✓ Registering Property - 6 steps up
✓ Getting Credit - 33 steps up
✓ Closing a Business - 16 steps up

• “Index of Economic Freedom 2009” (Heritage Foundation) - 32-nd place (the same place in 2008, but improved score from 69.2 to 69.8) - Moderately Free

Improved scores in:

✓ Business Freedom -1.6 points up
✓ Trade Freedom - 9.6 points up
✓ Freedom from Corruption - 6.0 points up
Georgia in International Ratings

- “Index of Economic Freedom 2008” (Fraser Institute) - 39-th place (up from 44-th in 2007)

Improved scores in:

- Legal Structure and Security of Property Rights - 0.25 points up
- Access to Sound Money - 0.07 points up
- Freedom to Trade Internationally - 0.74 points up
- Regulation of Credit, Labor and Business - 0.05 points up

- “Inward FDI Performance Index 2007” (UNCTAD World Investment Report) - 9-th place (up from 15-th in 2006)

Improved positions because of:

- Positive reform
- Increased investors protection
“Corruption Perception Index 2008” (Transparency International) - 67-th place (up from 79-th in 2007)

Improved positions because of:

- Highly effective reforms in earning public confidence
- Highly effective steps in improving country’s international image
- Post-revolution fallen of petty corruption
Georgia in International Ratings

- “Bertelsmann Transformation 2008” (Bertelsmann Foundation):
  - Status Index - 38-th place (up from 61-th in 2006)
  - Management Index - 23-th place (up from 35-th in 2006)

Improved scores in:

- **Status index:**
  - Political transformation - 0.75 points up
  - Economic transformation - 0.99 points up

- **Management index:**
  - Management performance - 0.55 points up

### Status Index

<table>
<thead>
<tr>
<th>Country</th>
<th>Status Index</th>
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<tbody>
<tr>
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### Management Index

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# Contact Information

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<thead>
<tr>
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<th>Position</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
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# Useful Links

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<tr>
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