

WHY INVEST IN GEORGIA?



Strategic Location

Georgia is situated at the crossroads between Western Asia and Eastern Europe. This particular geographical position gives the country many advantages for import and export activities, international business and foreign business investments. The country's strategic location gives Georgia an enormous advantage and has shaped its foreign relations and the way in which the country opened itself to foreign investments



Trade Relations

Georgia has trade relations with many countries worldwide

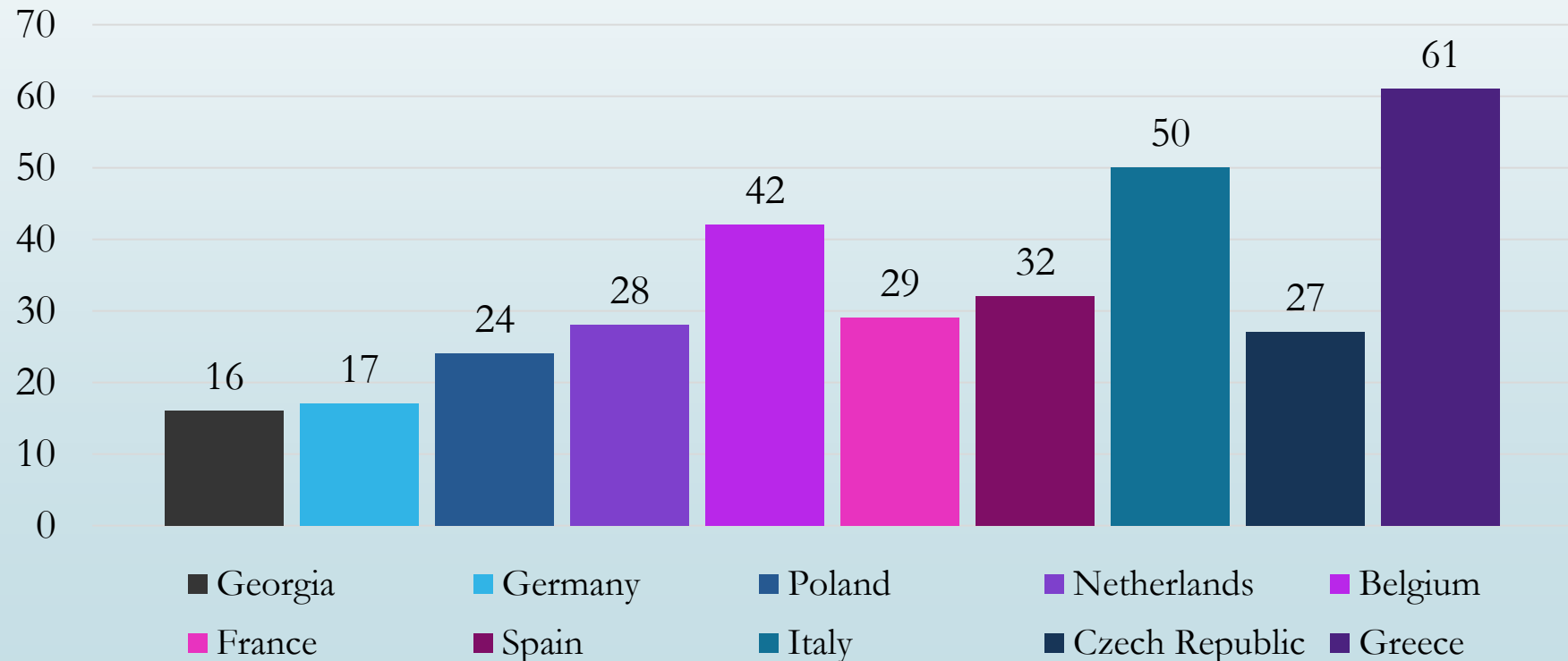
- The Association Agreement signed between EU and Georgia introduces a preferential trade regime - the Deep and Comprehensive Free Trade Area (DCFTA) which increases market access to over 200 million people
- Georgia has signed free trade agreements with Turkey and the Commonwealth of Independent States (CIS), as well as general preferential agreements with countries like the USA, Canada and Japan
- The country has signed a comprehensive free trade agreement with EFTA nations (Switzerland, Liechtenstein, Norway and Iceland)
- In 2016 China and Georgia signed the Tax-Free Agreement which covers 17 fields including commodity trade, service trade, intellectual property and emerging issues like e-commerce. The agreement will enter into force in mid-2017
- Georgia is a member of the World Trade Organization since 2000



Ease of Doing Business

Georgia is ranked 16 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Georgia improved to 16 in 2016 from 23 in 2015.

Ease of Doing Business Chart of European Countries



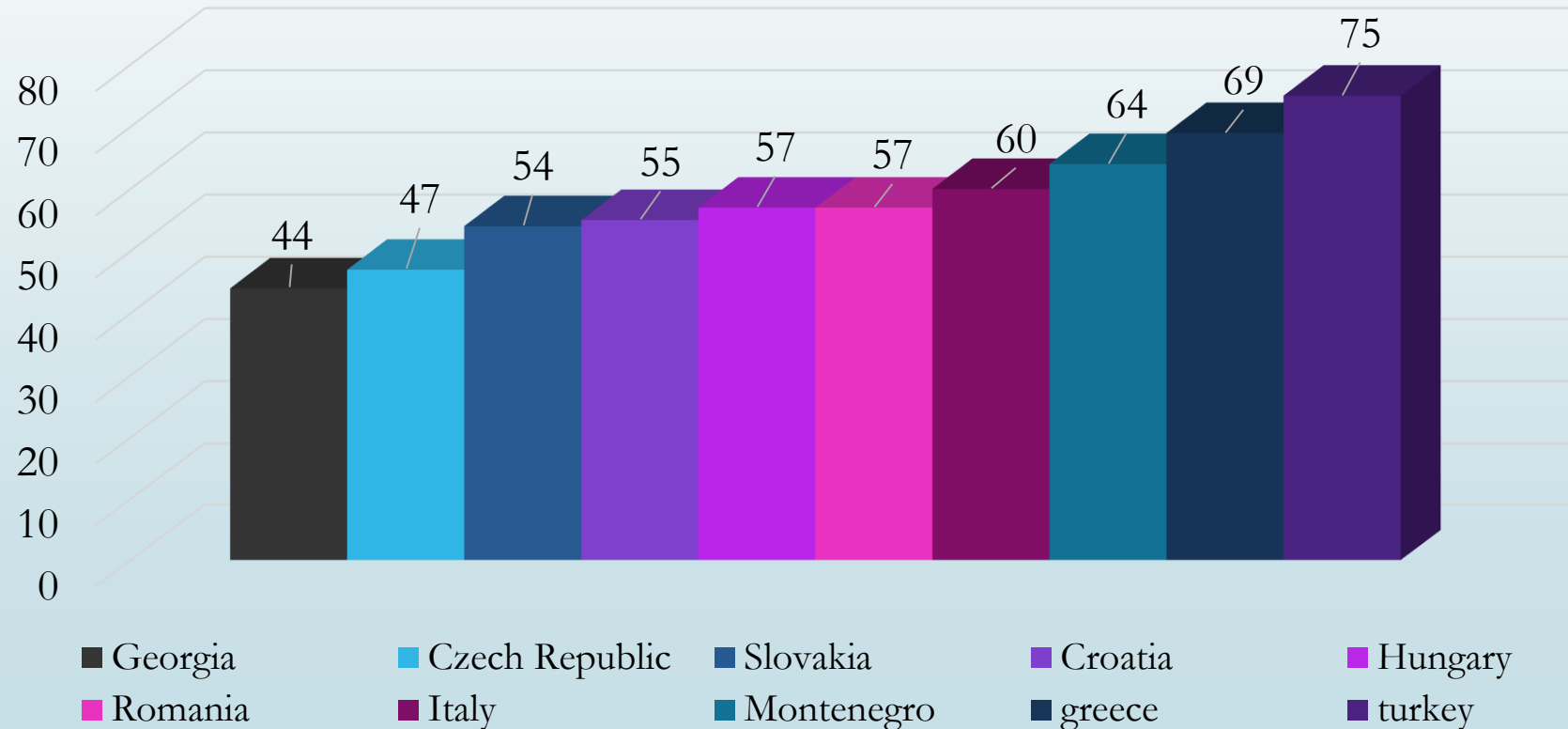
Corruption Free

From 2003 forward, the World Bank has recognized Georgia as one of the world's fastest reforming economies and as a leader in fighting corruption. Free market country has made sweeping economic reforms since 2003. Georgia is also among the top 10 global improvers for implementing reforms to their business regulations



According to Transparency International Georgia ranks 44th in least corrupt nations out of 175 countries. By 2004 Georgia was 133 with regards of corruption and in 2016 there was an all time improvement with the indicator as it became 44th in ranking.

Corruption Perceptions Index of European Countries





Reforms - Over the course of the last years, Georgia implemented five reforms in the following areas: Getting Electricity, Registering Property, Protecting Minority Investors, Trading Across Borders and Paying Taxes. With regards of investors, the economy strengthened minority investor protections by increasing shareholder rights and role in major corporate decisions, also by clarifying ownership and control structures



Low Taxes

Georgia has a very flexible and comprehensive legislation that creates business friendly environment and maintains healthy investment climate. Taxation is simple, low, efficient and fair. Tax and customs legislation is unified under one tax code and the collection of taxes and supervision of the tax environment is provided by Georgia Revenue Service.

There are only 6 flat taxes in Georgia:

20% - Personal Income Tax	15% - Corporate Profit Tax
18% - Value Added Tax (VAT)	0%, 5% or 12% - Import Tax
on few selected goods - Excise Tax	up to 1% - Property Tax



Reinvestment Of Profits means no Taxes

From the beginning of 2017 the new Corporate Tax Policy – “Estonian Model” went into force in Georgia. It means that only those profits that are distributed or paid out as fringe benefits will be taxable. Therefore, if a company reinvests its profit in whole, it will be freed from tax charges.

This new reform makes business climate and investing environment even more attractive in the country. Apart from reduced payments, smaller range of taxable activities will give investors and business owners great advantage of taking more control over their business issues.



Low Cost Skilled Labour Force - The country has got young, talented, skilled students and young generation who are multilingual and who mostly have knowledge of not only Georgian and English but also Russian language.

Potential of Investment in Agriculture

- Georgia has favorable natural resources and micro-climate zones conducive to development of agriculture. Fertile and pesticide-free soil is ideal for organic production. 43.4% (more than 3 million hectares) of the whole territory of Georgia is designated as agricultural land, which also includes pastures and meadows
- Many endemic species create a perfect source for the development of plant growing and cattle breeding. The country is rich in amelioration and potable water resources
- Agriculture still accounts for about 52% of the country's labor force. The employees in agricultural sector receive 30%-40 % less wage than the national average
- Georgia initiated Preferential Agro Credit Project to improve the processes of primary agricultural production, processing, storage and sale by providing farmers and entrepreneurs engaged in agriculture with cheap, long-term and preferential funds



Potential Areas For Investment in The Agriculture Sector

Agriculture Land: The climate of Georgia is well suited for cultivation of a wide variety of crops, vegetables, herbs etc. Land fertility in Georgia is very good due to its high organic matter content. Rainfall is evenly abundant round the year and man-made sources of irrigation like canals, artesian wells and water channels also abound. Therefore the conditions for entering into the agriculture business are very favorable. Georgia's free trade agreement with the EU is already in force. So investing in land for growing different crops and vegetables (both organic and inorganic) for export to the EU seems to be an attractive proposition .

Land prices in Georgia are still very low & competitive as compared to other nearest European countries like Bulgaria and Romania. Over the last 4 years land prices have appreciated by more than 200% and prospects for further increase are very high due to limited availability and growing interest from foreign buyers to invest in land.



Potential Areas For Investment in The Agriculture Sector


Orchards: With the increasing global trend towards healthy living, consumption of fruits is growing exponentially among the masses. Georgia's climate and soil is ideally suited for growing different fruit bearing trees like apples, plums, peaches, nectarines, mandarins, strawberries, apricots, grapes etc. Nuts like almond, walnuts and hazelnuts can also be successfully grown in such conditions. With abundance of cheap labour and low cost land, venturing into fruit and nut growing is a logical conclusion.

Georgia being a traditional wine producing country, exports of wine are increasing tremendously every year. The government is strongly supporting the growth of this sector. Certain subsidy programs have already been put in place by the Government for the revival and growth of viticulture in Georgia. Planting a new vineyard or buying an existing one will surely bring the investor regular returns year after year.



Potential Areas For Investment in The Agriculture Sector

Agribusinesses: The Georgian government has identified agriculture as a priority sector for development. Georgia still depends on imports for a variety of agricultural products like meat, chicken, dairy products, processed foods etc. The government's continuous stress on local production of agricultural products has opened up a plethora of opportunities in the agriculture related businesses. Setting up of animal farms for milk and meat production, grain storage and processing, fruit and vegetable processing industries etc. are the main thrust areas for investment envisaged by the government.



An aerial photograph of a valley during sunset. A river flows through the valley, and a multi-lane highway runs parallel to it. The mountains in the background are bathed in the warm, golden light of the setting sun. The sky is filled with soft, colorful clouds. In the foreground, there are fields and some buildings. The overall scene is peaceful and scenic.

**With Open Arms We Welcome
You To Georgia!**