

# CHOKHATAURI MUNICIPALITY



INVESTOR PRESENTATION





## GENERAL CHARACTERISTICS OF THE MUNICIPALITY

LOCAL PEOPLE FAMOUS FOR THEIR HOSPITALITY AND ENTHUSIASM



Population - 17,300

Female - 52%

Male - 48%



Working-age population

(Population aged between 16 - 65) - 62.3%



Percentage of working-age

population aged below 29 - 16%

Area (sq. km) - 825.1

Administrative center - Chokhatauri

Towns - 2; villages - 61

Urban population - 1500; Rural - 15800

Unemployment rate (regional) - 17 %

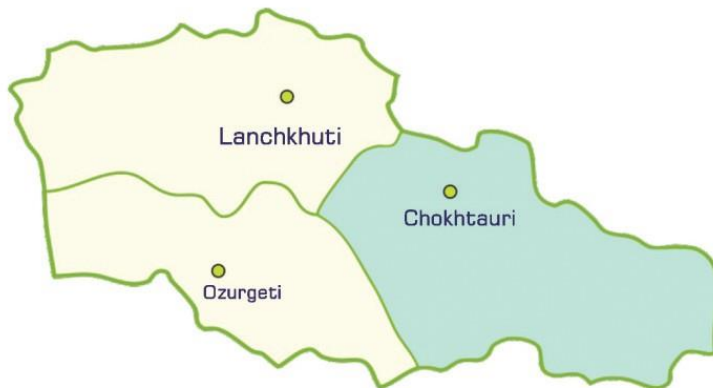
Persons engaged in the business - 1028

Employees in the business sector - 617

Business sector turnover - 106.4 Mln.GEL

Business sector investments  
in fixed assets - 5.3 Mln.GEL

### MAP OF THE MUNICIPALITY



Area - 825 km<sup>2</sup>

Source: GEOSTAT, National Statistics Office  
of Georgia

## LOCATION AND ACCESS TO MARKETS



Only 28 km from the regional center (Ozurgeti) Other notable distances:



East-West Highway (at Samtredia) - 32 km.



Tbilisi - 296 km.



Nearest Railway Station for passengers and Goods (Sajavakho) - 20 km;



Airports - Kutaisi 35 km; Batumi - 80 km.



Trade Hubs:

Kutaisi - 60 km; Batumi - 80 km;

Ports: Poti Sea Port - 70 km;

Batumi Sea Port - 80 km:

Close proximity to Poti and Batumi ports, Poti and Kutaisi free industrial zones, and Batumi and Kutaisi International airports; and

Close proximity to mountainous and sea resorts meaning good access to tourist markets.





## EDUCATION

20 kindergarten - 634 pupils  
32 public schools - 2508 students  
English language is thought in every school  
Music and art schools  
Student-Youth House

Vocational education is one of the main priorities of the municipality;

Newly built Vocational College "Horizonti"  
Number of students (annually) – 100  
Short and long-term professional programs (financed by the state)

Adult Education Center established by DVV International - German Adult Education Association

Various educational and art courses



## HEALTHCARE

- ✓ Medical services of good quality and sufficient infrastructure are available throughout the municipality;
  - ✓ A Regional Healthcare Center and 3 Clinics are currently operating;
  - ✓ 19 Medical Centers; and
- 3 Ambulances serve the local population, with a 4 ambulance operating in Bakhmaro on a seasonal basis;



## INFRASTRUCTURE

- ✓ Promising hydropower resources, stemming from fast-flowing mountain rivers;
- ✓ "Nabeghlavi" HPP in the village of Khevi with a capacity of 2 megawatts;
- ✓ In the village of Metsieti is "Sashuala" HPP with a capacity of 12.5 megawatts;
- ✓ "Zoti" HPP, with a planned capacity of 45 megawatts, is under construction;
- ✓ The roads in the town of Chokhatauri are fully paved;
- ✓ The town has full access to water, natural gas and electricity;
- ✓ Villages are fully supplied with electricity;
- ✓ The majority of villages are equipped with natural gas and a water source;
- ✓ Roads have been recently renovated in most villages;
- ✓ High-speed internet covers the town of Chokhatauri and nearby villages.

## A RICH AND COLORFUL HISTORY

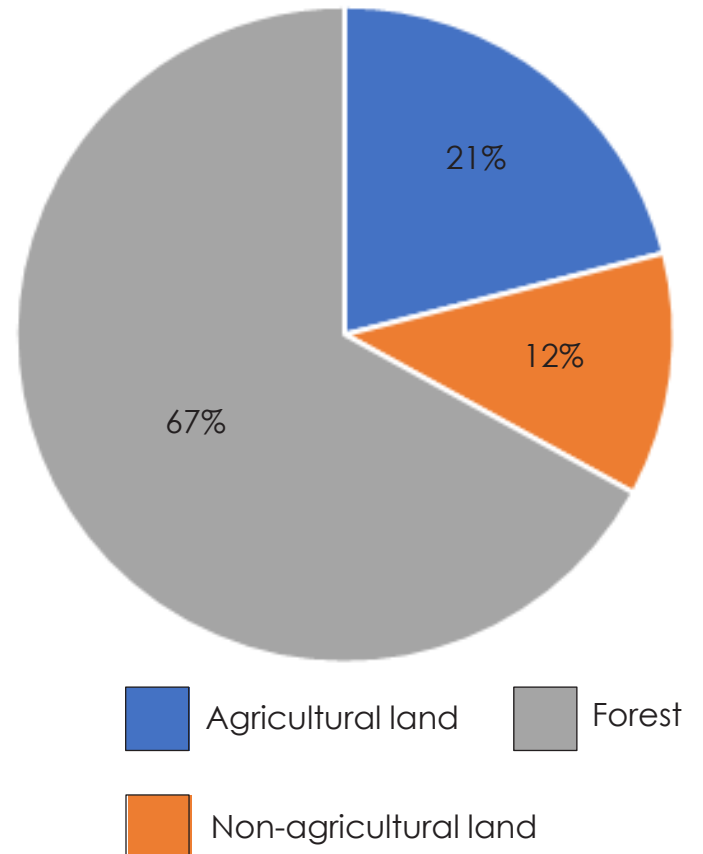
- ✓ 17th-18<sup>th</sup> centuries - residence of the nobles of Guria;
- ✓ 17<sup>th</sup>-19<sup>th</sup> centuries - a palace, a fence and a garden with orchards and unique varieties of coniferous and deciduous trees built/planted by Mikheil Eristavi in the village of Goraberezhouli, which remain there to this day;
- ✓ 1892 - Horse riders from Chokhatauri municipality joined Buffalo Bill Cody's "Wild West Show" in England, performing at an international level for over 30 years;
- ✓ 1964 – Bronze hoes, shovels, and copper bowls from the Mesolithic settlement period discovered, confirming centuries-old history of agricultural activities in the municipality; and
- ✓ Centuries-old sporting traditions including horse riding and Lelo Burti (a Georgian folk sport similar to rugby, dating back to the 12th century).



## REASONS TO INVEST

### LAND ASSETS AND POTENTIAL FOR USE

- ✓ Over 50% of the municipality's land area is government-owned, offering investment opportunities;
- ✓ A mere 16% of the municipality's agricultural land is utilized for arable farming, while 23% is dedicated to orchards;
- ✓ The municipality provides land resources for primary production farms and processing enterprises;
- ✓ Key raw materials for agriculture include corn, nuts, grapes, tea, fruits, and year-round crops;
- ✓ Potential exists for beekeeping, cattle and fish farming in the municipality;
- ✓ The rivers in the area present opportunities for fisheries development;
- ✓ The municipality's diverse honey plants support a thriving beekeeping industry.
- ✓ Promising niche in wine production and marketing with native grape varieties (Chkhaveri, Jani, Skhilatobani, Tsolikauri, Aladasturi, etc.):
- ✓ Up to 12 wineries are currently in operation





## FOSSIL FUELS AND NATURAL RESOURCES

Chokhatauri Municipality is rich in minerals and natural resources, including:

- Ornamental stones in the territory of the village of Vani;
- Healing warm springs and balneological waters in Sanislia;
- Sulfur springs in the village of Buknari;
- Lashe's bath (open bath with healing water) in the village of Shuaganakhleba;
- Sulfurous mineral water in the village of Didi Vani; and
- Mineral water in the village of Zemosurebi.
- Two resort areas rich in mineral and thermal waters - Bakhmaro and Nabeghlavi.

## GEOGRAPHY & CLIMATE

- Climate for business activities
- Altitude zonation with subtropical climate in mountains
- Moderate temperatures
- Average annual precipitation of 1,500-1,870 mm
- Snow cover in mountains for 5-6 months per year

## TOURISM POTENTIAL IN CHOKHATAURI



- **Bakhmaro – the establishment of a four-season resort here is a priority of City Hall**

Potential for development of ski tourism;  
Increased investment in the hospitality industry;

### Bakhmaro

Surrounded by centuries-old evergreen spruce and fir trees;

Beautiful alpine tundra;

Attracts visitors in summer and winter seasons;

Number of visitors: during the summer season  
- about 16,000 people; during the winter season  
- about 1,800 people.

### Nabeglavi

Beautiful balneological resort in Gubazeuli Gorge;  
470 meters above sea level;

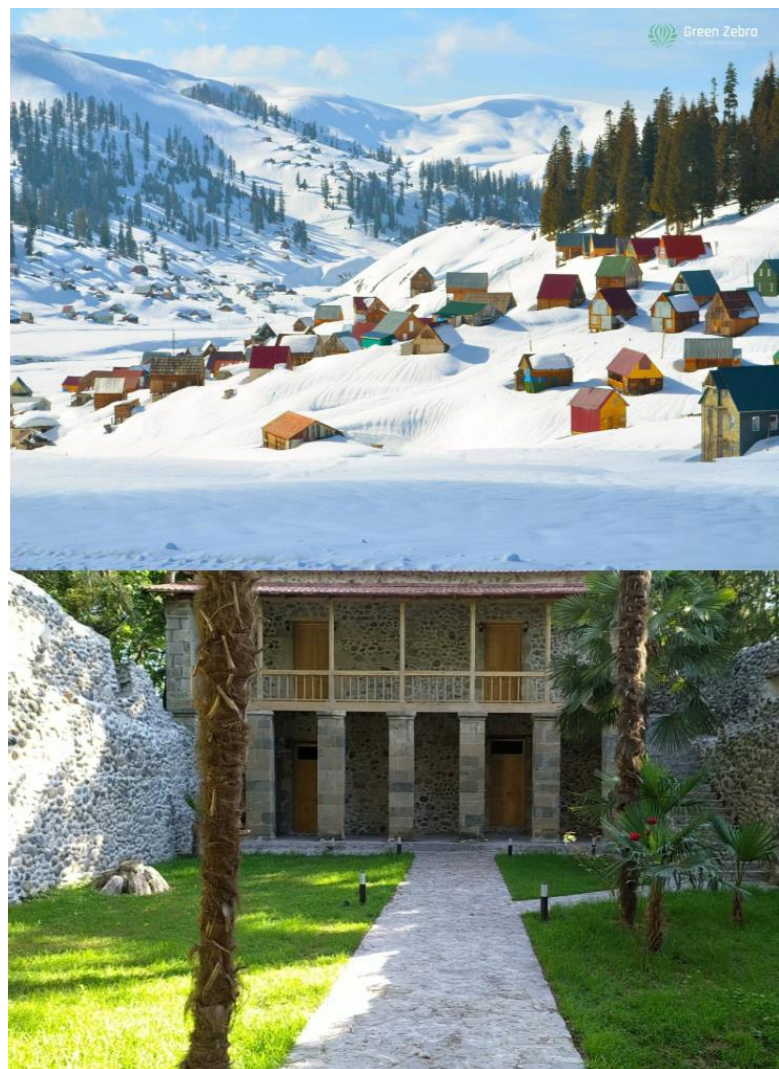
Surrounded by coniferous and deciduous forests,  
on the shores of the clear-flowing Gubazeuli River;

Unique climate and balneological conditions; and  
Precious healing mineral waters used to treat various  
diseases.

- Goraberezhouli Dendrological Park  
(dating back to 17th-18th centuries);

- Eristavi Palace in the village of Goraberezhouli:

Eristavi Palace wine cellar and all agricultural areas have been restored; and Surroundings create a relaxing and pleasant atmosphere with rare plant species such as a pencil tree, candy tree, giant sequoia, a Japanese strawberry tree and ginkgo.





## LOW AND EFFICIENT TAXATION CONDUCTIVE TO BUSINESS

- ✓ Corporate Profit Tax of 0% or 15% encourages reinvestment;
- ✓ Personal Income Tax – 20%;
- ✓ VAT – 18%;
- ✓ Property Tax – 1%;
- ✓ Customs/Import Tax – 0%, 5%, or 12%;
- ✓ Personal Income Tax for Interest, Dividends, Royalties – 5%;
- ✓ Pension Contribution - 6% (2% paid by Employer, 2% paid by Employee, 2% paid by Government); and
- ✓ Double taxation avoidance treaties with 55 countries.

**ELECTRICITY** 21.08306 Tetri/kWh

**WATER SUPPLY WASTE** 4,31Gel/Ton

**MANAGEMENT** Chokhatauri municipality – 0.25 Lari/per person  
Resort Bakhmaro – 5 Lari/per person

**FEE FOR CONSTRUCTION PERMIT** 4 GEL for each square meter of new buildings; 5 Gel for each square meter of an industrial facility in the resort area;

**PROPERTY TAX ON LAND** Non-agricultural land (1 ha): Bakhmaro – 0.36 Gel; Chokhatauri town – 0.24 Gel; Villages – 0.19 Gel. Agricultural land (1 ha): Arable land – 60 Gel; Grassland/Hay Fields – 19 Gel; Pastoral land – 17 Gel;



## REAL ESTATE MARKET

LOW PROPERTY PRICES COMPARED TO THE NATIONAL AVERAGE



CATEGORY	CHOKHATAURI TOWN	BAKHMARO RESORT	VILLAGES
Price for agricultural land (1 m <sup>2</sup> )	6 GEL		3 GEL
Lease for agricultural land (1 ha -1 year)	400 GEL	150 GEL	350 GEL
Price for non-agricultural land (1 m <sup>2</sup> )	250 GEL	500 GEL	100GEL
Lease for non-agricultural land (1 m <sup>2</sup> -1 year)	36 GEL	120 GEL	20 GEL
Purchase price of real estate (1 m <sup>2</sup> )	300 GEL	1800 GEL	100 GEL
Rental price of real estate (1 m <sup>2</sup> /month)	30 GEL	60 GEL	15 GEL



## BUSINESS ENTITIES IN CHOKHATAURI

- ✓ 917 active economic entities are registered in Chokhatauri municipality out of which 226 are newly registered

Chokhatauri contributes a significant proportion of Georgia's hazelnut production

The leading sector of the municipality's economy is agriculture:

Small and medium-sized farmers are involved in grain cultivation (corn), viticulture, beekeeping and livestock farming;

Perennial crop production farms (fruit, citrus, tea, berries) are common as well.

JSC "Tskali Margebeli" (Bottling Factory of Nabeghlavi Mineral Water) and Fruit Processing Factory "Nena" (production of compotes, jams, sauces etc.);

Factories engaged in excavation and processing of sand and gravel;

Retail facilities, banking and other services, dining facilities and guesthouses;

Small and medium-sized hydroelectric power plants (HPPs).



## MAJOR PROJECTS (ONGOING AND PLANNED)

A hotel complex is being constructed in Bakhmaro resort with at least 120 hotel rooms - 100 million GEL investment .

"Zoti" HPP, with a planned capacity of 45 megawatts, is under construction;



## ADVANTAGES OF DOING BUSINESS IN HIGH MOUNTAINOUS SETTLEMENTS

- Bakhmaro resort and three other settlements have been granted the status of high mountainous settlements according to the Law of Georgia on the Development of High Mountainous Regions.
- Therefore, business entities registered in these areas have tax privileges defined by the Law.
- Business entities which, in accordance with the legislation of Georgia, have been granted the status of high mountainous settlement enterprises enjoy tax relief from Corporate Profit Tax, Personal Income Tax, and Property Tax.

TAX CATEGORY	TAX RELIEF
Personal Income Tax	Tax free incentives under 6 000 Gel
corporate Profit Tax	Tax exemption for 10 years
Property Tax	Tax exemption

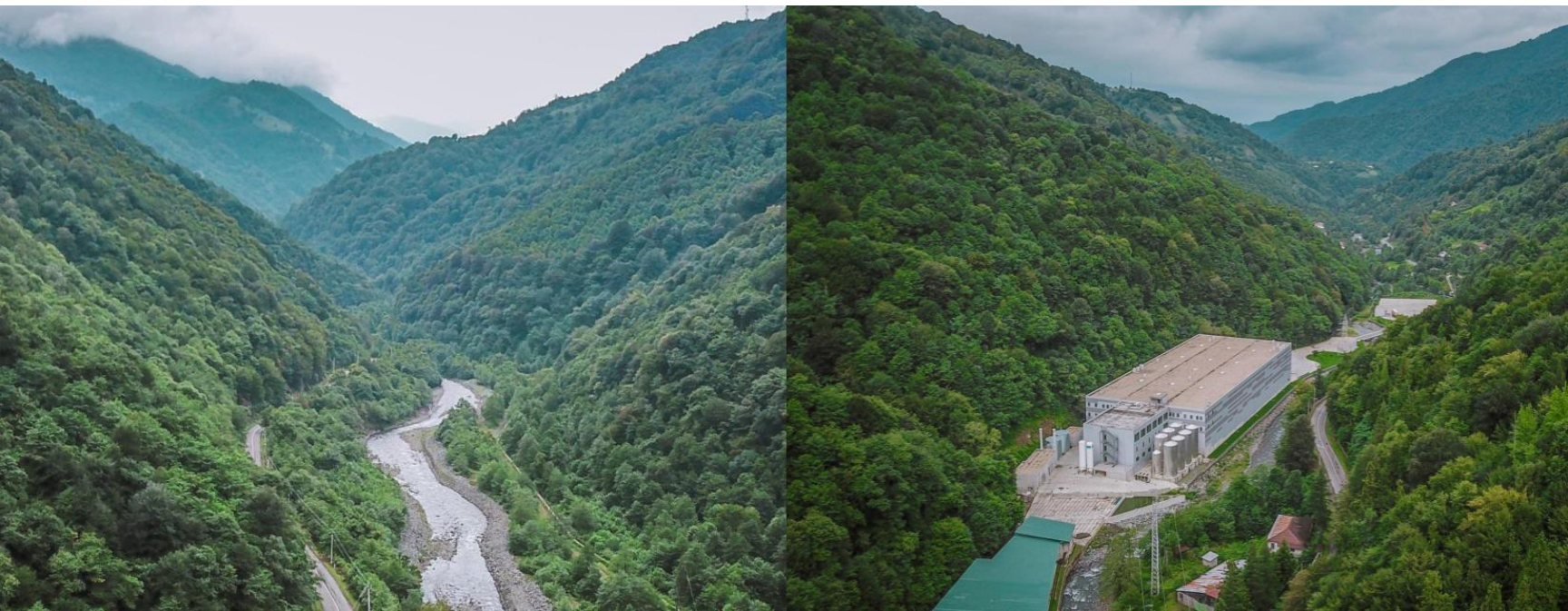


## BUSINESS-ENABLING ENVIRONMENT

- ✓ State and local laws promote investment activities;
- ✓ Simple and efficient procedures for obtaining licenses and permits;
- ✓ Convenient conditions for property registration and management; Various business services can be accessed in one place under the 'one-window' principle in the municipality;
- ✓ Supportive municipal government with a track record of quick and efficient cooperation.

## ✓ LOW BUSINESS COSTS

- ✓ Easy-to-administer tax system and flexible dispute-resolution procedures; Easy to start a business;
- ✓ Proximity to free industrial zones and low logistics costs;
- ✓ Favorable real estate prices.





## STATE SUPPORT AND SUCCESSFUL INVESTMENTS

### GROWING OPPORTUNITIES AND INCREASED INVESTMENTS

#### JSC "TSKALI MARGEBELI" (BOTTLING FACTORY OF "NABEGHLAVI" MINERAL WATER) :

- ✓ Up to 100 people are employed - 98% of employees are locals;
- ✓ Since 2017, has engaged in joint production with Rauch, one of the largest juice and non-alcoholic beverage production companies in Europe;
- ✓ A new multi-profile non-alcoholic beverage factory was opened in 2017 with 55 million GEL investment to expand production;  
Products are exported to up to 30 countries around the world, including in the European Union (EU), the Commonwealth of Independent States (CIS), Asia, the Middle East and North America.

#### FRUIT PROCESSING FACTORY "NENA" (INVESTMENT OF 2,5 MILLION GEL):

- ✓ Up to 30 types of jams, compotes and sauces are produced; and Exported to the EU, the USA and China,

#### STATE PROJECT "PLANT THE FUTURE" PROMOTES THE CULTIVATION OF AGRICULTURAL LAND TO PLANT PERENNIAL CROPS (BERRIES, NUTS, ETC.);

- ✓ As a result amount of land used for growing perennial crops has increased in recent years. The 32-hectare blueberry cultivation is remarkable in this context.



## STATE SUPPORT AND SUCCESSFUL INVESTMENTS

“PRODUCE IN GEORGIA” PROGRAM SUPPORTS ESTABLISHMENT AND DEVELOPMENT OF MICRO AND SMALL BUSINESS ENTERPRISES IN THE MUNICIPALITY OF CHOKHATAURI:

Total number of funded projects – 74

Total Investment - 914 718GEL

Grants Issued - 762 265 GEL

Total number of jobs created – 240 employees

ENPARD GEORGIA SUPPORTS THE MUNICIPALITY OF CHOKHATAURI:

Agricultural projects funded within the program - 7

Total Investment – 510 700 Gel

Total number of jobs created – 20 employees





## GOVERNMENT SERVICES FOR BUSINESSES

ON-SITE SERVICES TO START AND DEVELOP A BUSINESS ARE AVAILABLE

Services provided by Local Government

- ✓ Various communication channels are available, including face-to-face meetings and electronic correspondence;
- ✓ Consultations about all necessary issues related to the investment process
- ✓ Municipal and state property is privatized through electronic and public auctions
- ✓ The local government and state trustee in Guria can petition the Government of Georgia to directly sell or dispose of for symbolic price municipal or state immovable property to investors with or without conditions depending on the investment's benefits.

Public Service Hall

- ✓ Various services provided in one place under the "one-window" principle; Business registration, property registration, privatization process etc.

Regional Information Consulting Centers of the Ministry of Environmental Protection and Agriculture

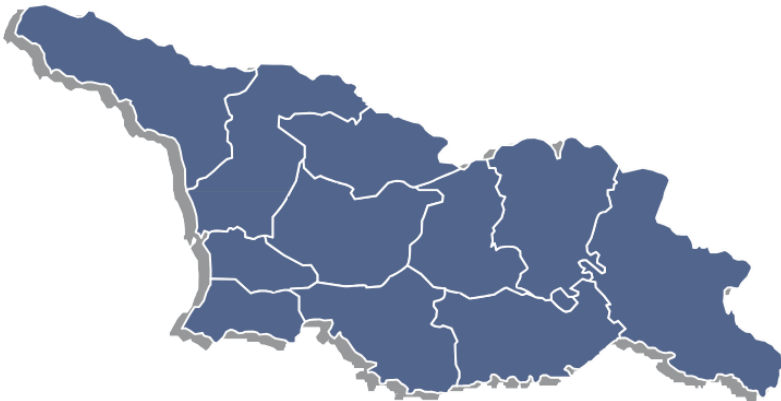
- ✓ Information about state-supported programs and agricultural consulting.



## BUSINESS COLLABORATION

The City Hall Investment Environment Development Unit actively cooperates with representatives of the private sector, specifically by:

- Analyzing the capacity of the investment environment in the municipality to promote private investment.
- Preparing documentation for municipality participation in investment projects.
- Attracting private investment for municipal projects.
- Providing recommendations for investment planning.
- Managing relationships with investors, funds, and donors.
- Sharing information on investment potential, locations, and regulations.
- Assisting investors with administrative procedures.
- Facilitating the search for suitable locations, partners, and suppliers.
- Offering support for investment aftercare.
- Introducing state programs and assisting in project preparation.



## STATE SUPPORTED OPPORTUNITIES

Government Supports Agriculture, Service and Hospitality Industries



### ENTERPRISE GEORGIA

**The State Agency “Enterprise Georgia”  
Covers the Following Areas:**

- ✓ Industrial component;
- ✓ Hotel industry;
- ✓ Micro and small business support;
- ✓ Film in Georgia;
- ✓ Credit guarantee mechanism;
- ✓ Balneological resorts industry;
- ✓ Tourism services industry.



### Rural Development Agency

**Rural Development Agency**

- ✓ Preferential agrocredit and agroinsurance;
- ✓ State program co-finances harvesting machinery;
- ✓ Co-financing of processing and storage enterprises;
- ✓ Supports organization of nursery gardens and planting of berry, nut, and other trees; and Promotes other agricultural activities.



### GEORGIA'S INNOVATION & TECHNOLOGY AGENCY

**Georgia's Innovation and Technology Agency**

- ✓ Promotes commercialization of knowledge and innovation to stimulate the country's rapid economic growth;
- ✓ Techparks and innovative centers;
- ✓ FabLabs - high-tech workshops equipped with tools offering customers digital fabrication; and
- ✓ Business incubators, IT trainings, boot camps, Startup Georgia, and other successful projects.



### PARTNERSHIP FUND

**JSC Partnership Fund (PF)**

- ✓ Aims to attract and encourage private investors;
- ✓ Supports commercially viable investment projects; and
- ✓ Energy, agriculture, manufacturing, and tourism sectors are top priorities as these sectors are largely untapped and have great potential for further development.

## ADVANTAGES OF INVESTMENT CLIMATE IN GEORGIA

- ✓ Gateway from Europe to Asia and vice versa;
- ✓ Free trade agreements covering 2.3 billion customers;
- ✓ Association Agreement and Deep and Comprehensive Free Trade Area (DCFTA) with the EU;
- ✓ 7<sup>th</sup> easiest country to do business in (1<sup>st</sup> among European countries) according to World Bank's Ease of Doing Business Report 2020;
- ✓ 6<sup>th</sup> safest country in the world according to Numbeo's Crime Index 2019
- ✓ Relatively low labor and operational costs for businesses;
- ✓ Simple, low and efficient taxation with tax reliefs and business-supportive incentives;
- ✓ Property tax – 1% or below;
- ✓ Georgia has signed bilateral investment treaties (BITs) with 33 countries and has been a member of the ICSID Convention since 1992.



## PRIVATIZATION SCHEDULE

Registering an application at the City Hall	Same day
Adding property to the privatization list	20 Days
Property evaluation by an accredited expert	10 Days
Consent of the City Council	20 Days
Holding an electronic auction	15 Days
Signing of the purchase agreement with the City	15 Days
Registration of the right of ownership in the public register based on the right of ownership issued by the City Hall	4 Days

Local government can petition for direct property sale to central government. Rights to use municipal property is transferred via auction or direct disposal. Direct disposal allows fee or free transfer with or without conditions. Free transfer lasts up to 2 years.

## INVESTMENT SCHEDULE

Business registration	4 Days
Preparation of documentation for construction permit by the applicant	30 Days
Getting approval for construction	15 Days
Clearing the land for construction purposes	20 Days
Securing permits and connecting to infrastructure (water, electricity, gas, sewage)	30 Days
Construction	Max 2 years (can be extended)
Construction technical acceptance and commissioning.	15 Days

The tables display optimal timelines for the municipality to carry out relevant activities.

## CONTACT INFORMATION

Chokhatauri Municipality City Hall  
Investment Environment Development Unit



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Working hours 10.00 to 18.00 Monday – Friday

[Find us on the map](#)

## FOR MORE INFORMATION:

Investment Climate and Opportunities in Georgia

<https://investingorgia.org/en/>

## OTHER INFORMATION SOURCE



Invest in Georgia	<a href="http://www.investingorgia.org">www.investingorgia.org</a>
Ministry of Economy and Sustainable Development	<a href="http://www.economy.ge">www.economy.ge</a>
Ministry of Finance of Georgia	<a href="http://www.mof.ge">www.mof.ge</a>
Ministry of Environmental Protection and Agriculture of Georgia	<a href="http://www.mepa.gov.ge">www.mepa.gov.ge</a>
Ministry of Regional Development and Infrastructure of Georgia	<a href="http://www.mrdi.gov.ge">www.mrdi.gov.ge</a>
JSC Partnership Fund	<a href="http://www.fund.ge">www.fund.ge</a>

## INFORMATION SOURCE

Contact - Chokhatauri Municipality

[www.chokhatauri.gov.ge](http://www.chokhatauri.gov.ge)

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