

REASONS TO INVEST



- ✓ Close proximity to free industrial zones, sea ports and international airports, with low logistics expenses
- ✓ Easy to start a business in a business-friendly and transparent environment
- ✓ Top positions in the World Bank - „Doing Business” and Heritage Foundation - „Index of Economic Freedom“ rankings
- ✓ Duty-free access to 2.3 billion markets
- ✓ Competitive, well-trained workforce
- ✓ Stable and competitively priced energy sector
- ✓ Property prices below the national average
- ✓ Efficient and business-conducive taxation
- ✓ Proactive municipal government
- ✓ Upgraded local and national roads
- ✓ Fossil fuels and natural resources, including mineral waters and hydro resources with two operational HPPs.
- ✓ Significant agricultural, including subtropical crop farming, potential
- ✓ Favorable environment for various types of tourism development

Simplified Tax System

	Taxation	
0% or 15% Corporate Profit Tax	20% Personal Income Tax	18% Value Added Tax (VAT)
0%, 5% or 12% Import Tax	up to 1% Property Tax	Corporate Profit, Personal Income and Property Tax reliefs for high mountainous settlement enterprises
0% Tax on Reinvested Profit	Special Favorable Tax Regimes	Double taxation avoidance agreements with 55 countries

Free Industrial Zones Within 70 Km

Name	Total Area	Administrators	Website	Companies/Industries that Operate in the FIZ
Kutaisi FIZ	269,014 m ²	Georgian International Holding LLC	www.gih.ge	Manufacturing water electric heaters, household appliances, technical oils and metal tiles
Poti FIZ	3.0 million m ²	CEFC China Energy Company Limited	https://potifreezone.ge/	A range of activities, including light manufacturing and more heavy industries, such as chemical, steel and processing
Hualing Kutaisi FIZ	360,000 m ²	Georgian Huashun International Industrial Investment Group LTD	https://hualingfiz.ge/	There are five enterprises operating: wood processing, furniture production, stone processing, metal constructions and mattresses production

Free Trade Agreements

Deep and Comprehensive Free Trade Area with the European Union (DCFTA); CIS – FTA: EFTA countries – FTA: Turkey – FTA: Ukraine – FTA: China (Inc. Hong Kong) – FTA: US, Canada, Japan - GSP

Real Estate Market

Low Property Prices Compared to the National Average



Category	Chokhatauri Town	Bakhmaro Resort	Villages
Price for agricultural land (1 m ²)	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 ²)	250 GEL	500 GEL	100GEL
Lease for non-agricultural (1 m ² -1 year)	36 GEL	120 GEL	20 GEL
Purchase price of real estate (1 m ²)	300 GEL	1800 GEL	100 GEL
Rental price of real estate (1 m ² - month)	30 GEL	60 GEL	15 GEL

Natural Resources

Chokhatauri municipality is rich in valuable natural resources, including paving stones, therapeutic warm springs, various types of mineral waters, and forest resources

NATIONAL MACROECONOMIC OVERVIEW

General Facts



- Area: 69,700 sq. km
- Population (2022): 3.7 million
- Capital: Tbilisi;
- Life expectancy: 73.5 years
- Official language: Georgian
- Literacy: 100%
- Currency (code): Lari (GEL)

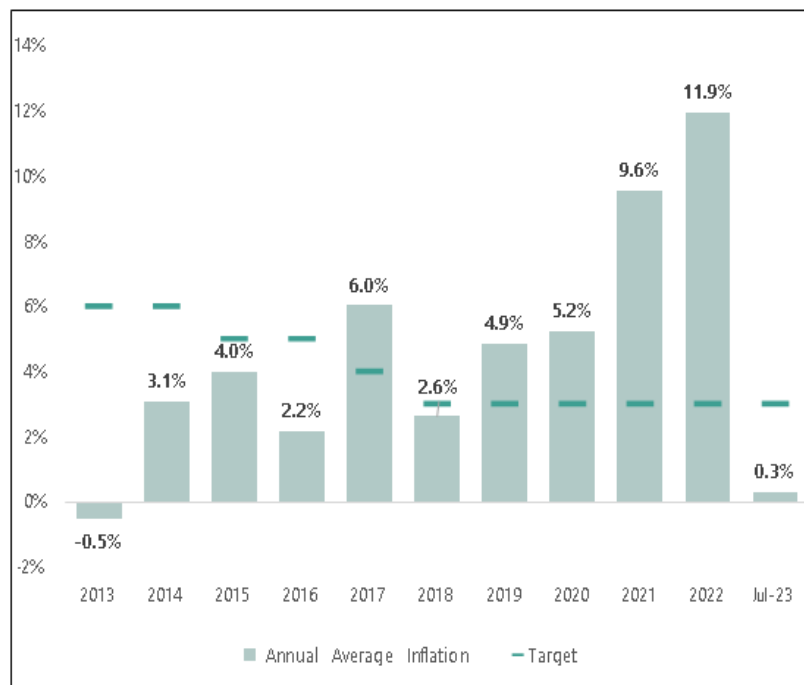
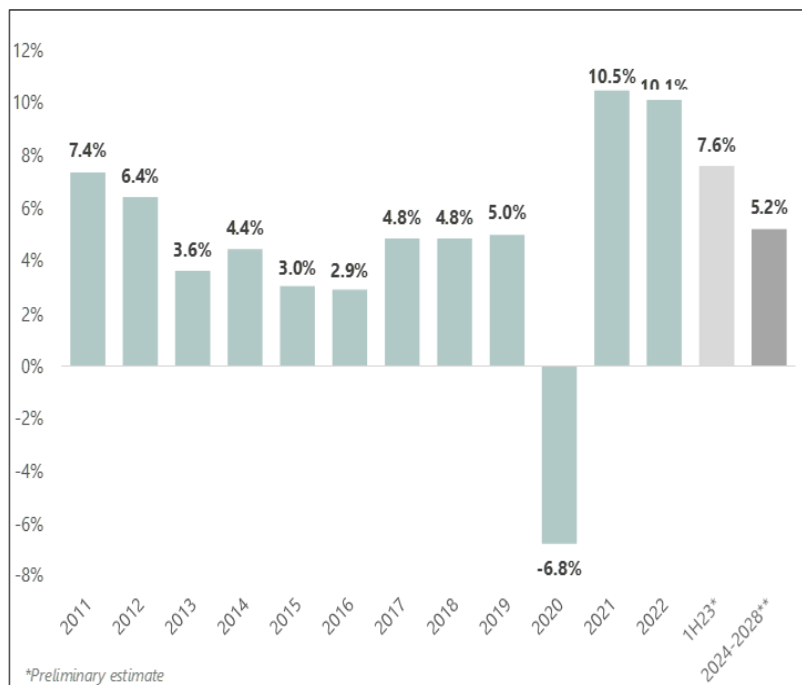
Economy

- Nominal GDP (Geostat) 2022: GEL 71.8 billion (US\$24.6 billion)
- Real GDP growth rate 2022: 10.1%
- Real GDP ten-year annual average growth rate: 4.2%
- GDP per capita 2022 (PPP, international dollar) IMF: 20,244
- Annual inflation 2022: 11.9%
- External public debt to GDP 2022: 29.8%

Real GDP up by 7.6% in 1H23, while inflation has fallen below the target

Preliminary economic growth standing at 7.6% y-o-y in 1H23, following up on two years of double-digit expansion (10.5% and 10.1% in 2021-2022 respectively)

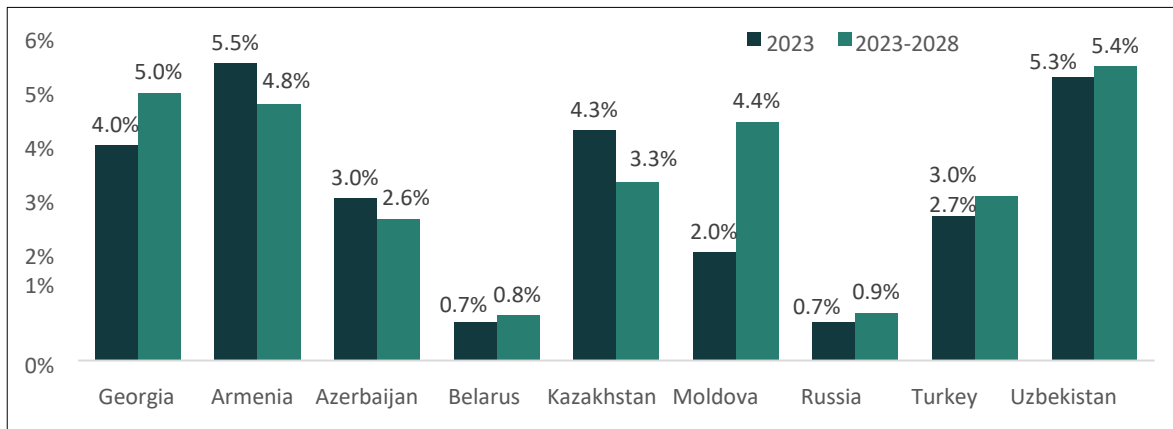
Annual Inflation remained below the 3% target since April 2023, with a July 2023 inflation rate at 0.3%.



GEL has now strengthened to above pre-pandemic levels against USD, despite USD strengthening globally



Georgia's medium-term growth rate projected to be one of the highest among peers by IMF (April 2023) **Projected real GDP growth rates, % | IMF**



Key Ratings Highlights			
Rating Agency	Rating	Outlook	Affirmed
	Ba2	Negative	April 2022
	BB	Stable	February 2022
	BB	Positive	July 2023

Economic Freedom

N12

Up from #99 in 2005

6th among the countries in Europe

Economic Freedom

Heritage Foundation, Index of Economic Freedom 2020 (Rank out of 180 countries)

Doing Business

N7

up from #112 in 2005

1st among the countries in Europe

Ease of Doing Business

Source: The World Bank, Doing Business 2020 (Rank out of 190 economies)