

INVEST IN GEORGIA

GEORGIA

**A PLEASURE
DOING BUSINESS**

Investment Climate And Opportunities



Why Georgia



Strategically located at the crossroad of Europe and Asia



7th Easiest Country to do Business

(World Bank's Ease of Doing Business Report 2020)



3rd Least Tax Burden Country, with 9.9% Total Tax Rate

(World Bank Group)



Competitively Priced, Skilled and Productive Workforce

2.3 Billion





Free Trade Agreements with Market of 2.3 Billion population

(Including EU, EFTA, CIS and China)

The Country At A Glance

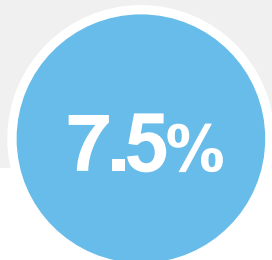


Region	Europe
Population	3.7 Million
Capital	Tbilisi
Govt type	Parliamentary
GDP Per Capita (2023)	8,210.1 USD
Inflation (2023)	2.5%
Currency	Georgian Lari

-  Railway
-  Free Industrial Zones
-  International Airports
-  Ports

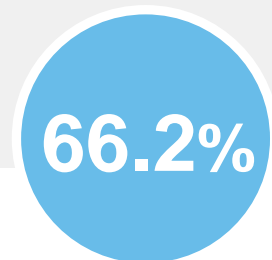


GDP in 2023



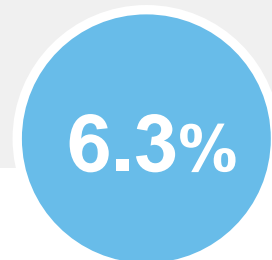
Real GDP Growth Rate

(2023)



Share of Reinvestments

(2019-2023 average)



FDI to GDP Ratio

(2019-2023 average)



FDI inflow

(2023)

Georgia Standing Out



OECD FDI Regulatory Restrictiveness Index 2021



8th

Georgia ranks 1st among non-EU countries

TRACE Matrix 2021

Interaction: Contact with government



1st

Georgia ranks 29th in overall standings out of 194 countries

Safety Index 2023



18th

Georgia ranks 9th in Europe

Global Services Location Index -GSLI 2023

KEARNEY

24th

Georgia ranks 8th in Europe

WJP Rule of Law Index 2022

Eastern Europe & Central Asia Region



1st

Georgia also ranks 7th in the group of Upper Middle Income countries

Candidate Status



Georgia has a Deep and Comprehensive Free Trade Area, an Association Agreement, and Visa-free travel regime with European Union

“Deep reforms in economic management and governance have earned Georgia a reputation as star reformer”

World Bank Group Georgia



Spend Less Time On Paperwork

Georgia Ranks 7th in Ease of Doing Business Ranking, Here's Why:



Starting a Business

1 Day

9.2 DAYS

Registering a Property

1 Day

23.6 DAYS

Getting Construction Permit

63 Days

152.3 DAYS

Number of Tax Payments (per year)

5

10.3

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OECD High Income Countries Average

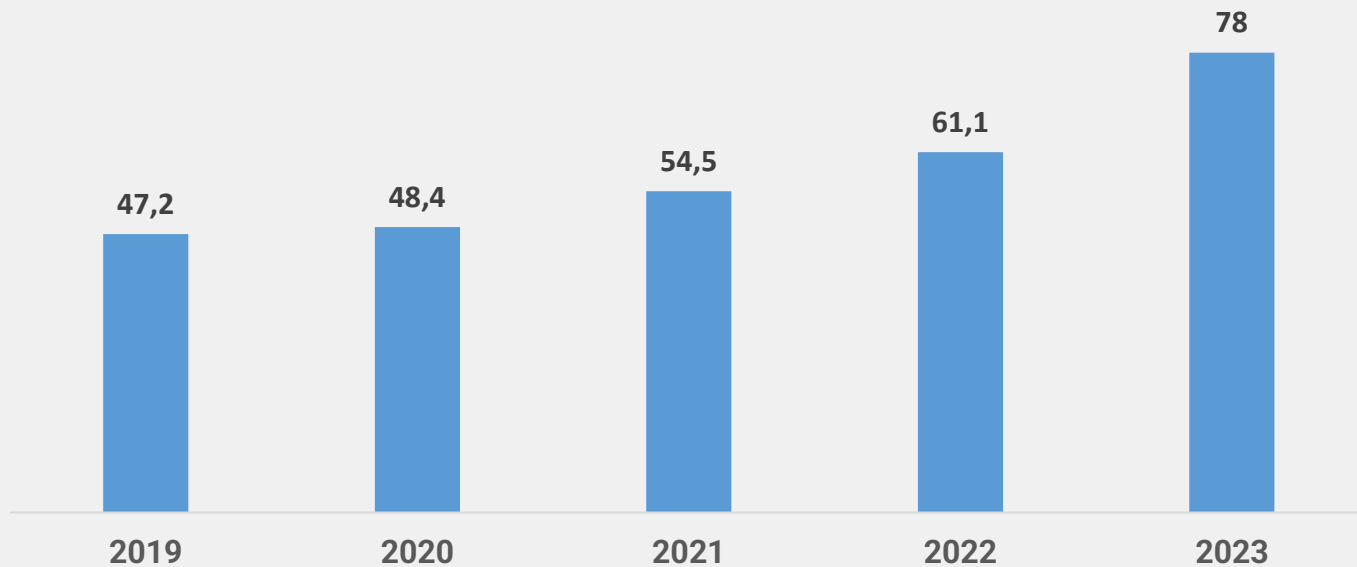


Source: World Bank, Ease of Doing Business

Hungary - Georgia Economic Relations



Trade Turnover Between Countries, mln USD



Major Exports to Hungary

- Clothing and textile articles
- Preparations of vegetables, fruit and nuts
- Articles of iron or steel

Major Hungarian Companies in Georgia



**\$21
MILLION**

To date, FDI from Hungary amounts to more than 20 mln USD

DCFTA

Georgia and Hungary have free trade under DCFTA



Georgia and Hungary, along with Azerbaijan and Romania Sign Agreement on Black Sea Electricity Cable

**Double
Taxation
Treaty**

Countries have Double Taxation Avoidance Treaty

Your Nearshoring Destination



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- EU - DCFTA
- UK - FTA
- EFTA - FTA
- CIS - FTA
- Turkey - FTA
- Ukraine - FTA
- China (incl. Hong Kong)

2.3

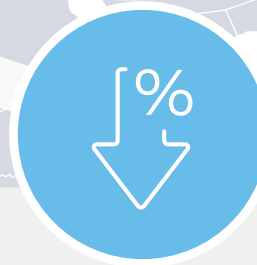
Free trade agreements cover market with 2.3 bln population



Centrally located to access Europe, Asia and the Middle East



Simple and service-oriented customs policy and administration



80% of goods are free from import tariffs



Membership of both Middle Corridor and TRACECA

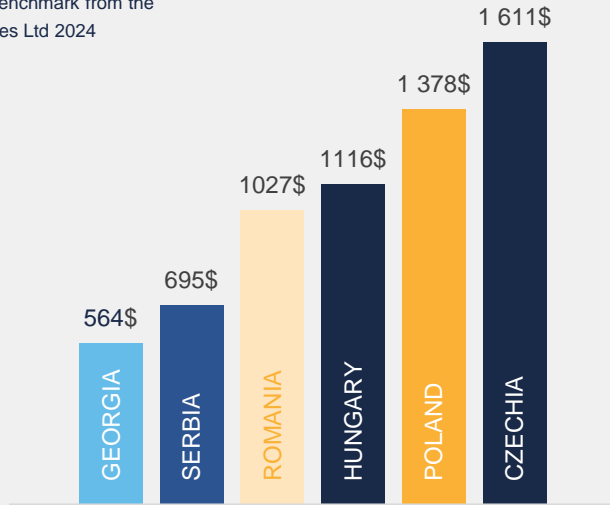


Connected to the EU's Trans-European Transport Networks

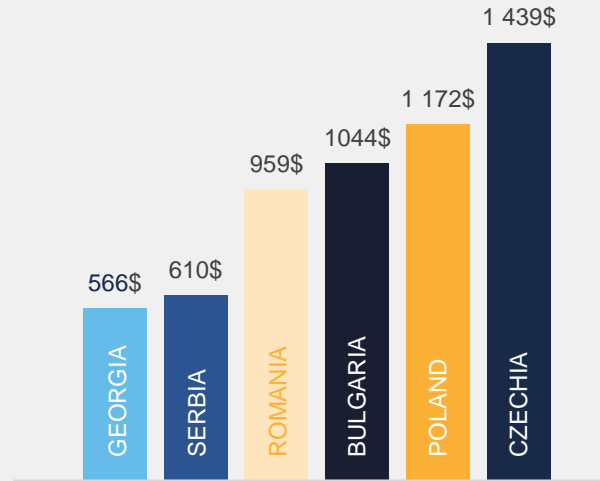
Access Young, Skilled And Competitive Talent Pool



Source: fDI Benchmark from the Financial Times Ltd 2024



Average Monthly Salary for Skilled Production Operative
(including social security)



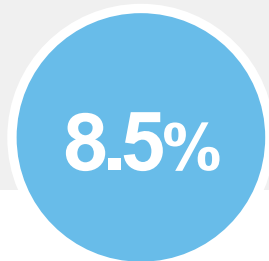
Average Monthly Salaries in Customer Service
(including social security)

‘We have found the Georgian workforce to be highly skilled, highly educated and add value to our company’ –

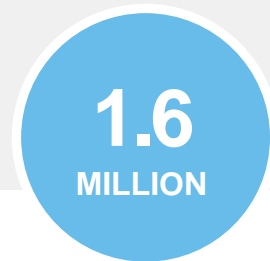
Ann Davies, Head of Country, Georgia, BP



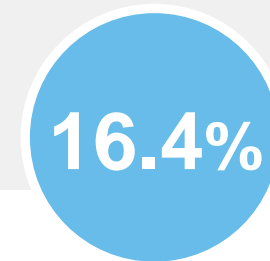
Flexible Labor Code



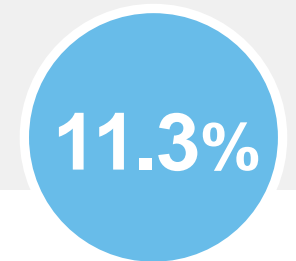
Labor Productivity Growth
(ILOSTAT)



Total Workforce



Unemployment



Unemployment with advanced education

Access To Fresh Talent Pool



Graduate Talent Pool

Over

122,000

graduated from public and private HEIs (bachelor, master and professional programs) in the last 5 years

Multi-lingual Skills

Approx

574,000

English, German, French and Italian speakers in major cities of Georgia

(Source: Deloitte research)

Specialized English, German and other European language schools available in the country

‘We have today a very good engineering team because they are very responsive and very well educated’

Arie Weisbort, CEO
Aerostructure Technologies Cyclone



98%

Literacy Rate

64

HEIs

66

VETs

92%

Population with Secondary Education



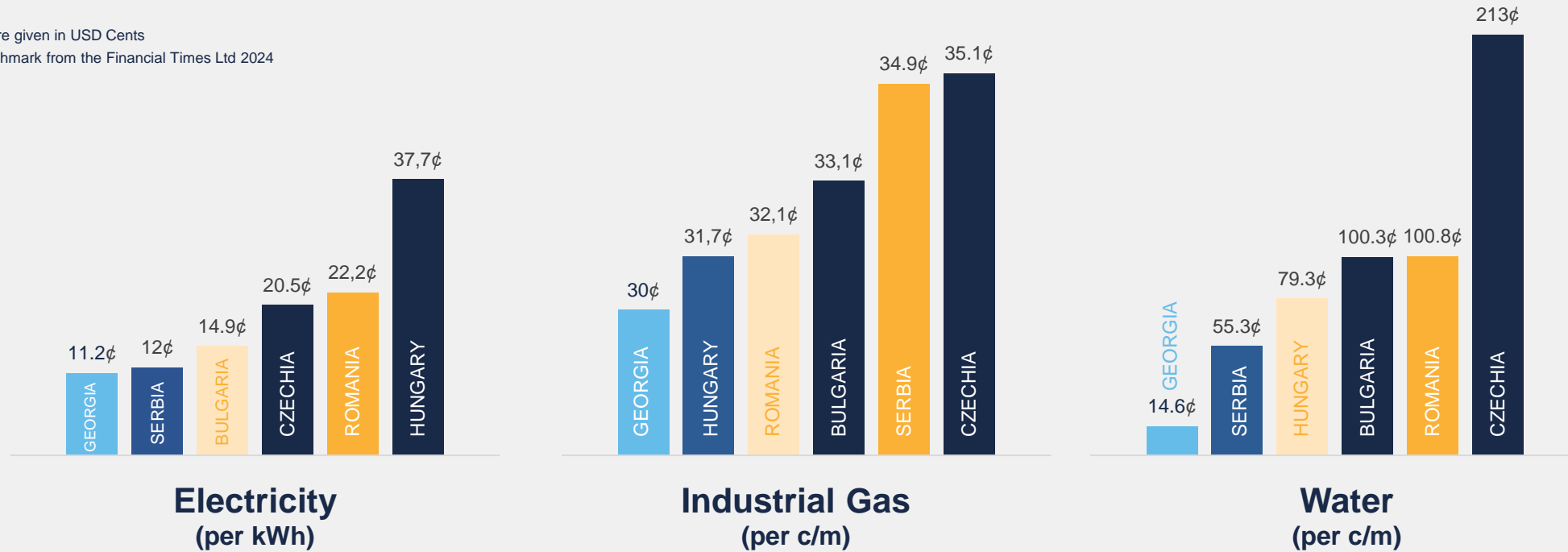
Competitive Operational Costs



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*all utility costs are given in USD Cents

Source: fDi Benchmark from the Financial Times Ltd 2024



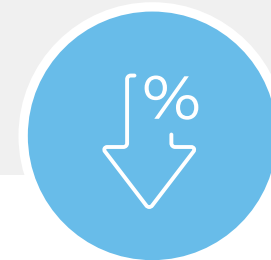
Green Energy
70% of generation form renewables



Power Exchange
Day ahead, intra day and balancing markets (operated By Nord Pool)



Corporate PPAs
All consumers (ex. Household) can find direct supplier



Partially Deregulated Gas Tariff
Buyer can choose supplier and negotiate price

Benefit From The Most Attractive Tax System



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Taxation System



Corporate Profit Tax



Personal Income Tax



Value Added Tax



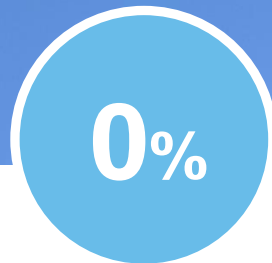
Property Tax



Import Tax
(depending on goods imported)

- Pension contribution* – 2% paid by Employer, 2% paid by Employee
- Personal Income taxes for interest, dividends and royalties are just 5%
- Double Taxation avoidance Treaties with 57 countries

*up to 2% paid by Government until savings reach 60,000 GEL



Tax on Retained Profit



Free Industrial Zones



Least Tax Burden Country
in the World by Total Tax Rate
(% of profit)



We Are Here To Support Your Business



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FREE INDUSTRIAL ZONES

Special Tax Regime

- Exemption from all taxes except Personal Income Tax (20%), which is paid from employees' salaries (goods produced for export)
- In case of import from other territory of Georgia, the company has to pay VAT and 4% of revenue from national sales
- Simplified Procedures and Available Facilities
- Great Location: Tbilisi (capital city), Poti (sea port), Kutaisi (International Airport)

TAX INCENTIVES

International Company status

- Profit and personal income taxes for IT companies reduced to 5%

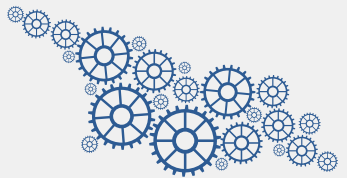
FINANCIAL INCENTIVES

State Support Programs

- Subsidies for loan interest payment – 3.25%
- Collateral Guarantee co-financing - up to 80% of the principal

FDI Grants

- Eligible sectors: electronics, auto & aircraft parts, BPO, MRO, logistic centers
- Cashback on investment costs, including workforce training costs
- Investment obligations:
 - Manufacturing of electronics, auto & aircraft parts - at least 100 new jobs created and USD 3 mln investment
 - BPO/SSC/GBS - at least 200 new jobs created and USD 0.8 mln investment
 - IT - at least 50 new jobs created and USD 0.8 mln investment
 - MRO, logistic centers - at least 50 new jobs and USD 3 mln investment



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Thank You

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18 Uznadze str. 0102 Tbilisi, Georgia

