



## Ministry of Economy and Sustainable Development of Georgia

Georgia as a Gateway to Europe and Asia



## Country Profile



**Strategically located at the crossroad of Europe and Asia**



**Modern and fast-developing infrastructure**



**Free Trade Agreements with 2.3 bln market - EU, China (Including Hong Kong), Turkey, Ukraine, CIS & EFTA**



**Skilled and competitively priced labor force**



**flat-rate, low taxes - No corporate profit tax on reinvested profit**



**Stable, effective and well-developed banking sector**

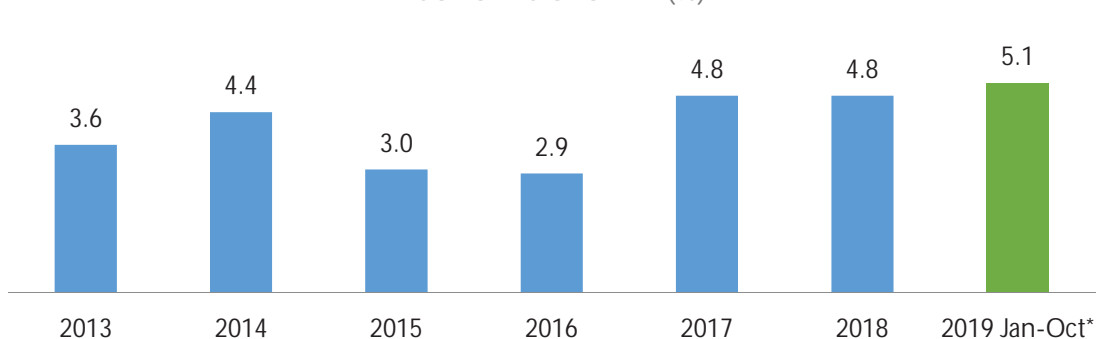


**Recognized as one of the easiest places to do business in the world**

# Economic Growth



ECONOMIC GROWTH(%)



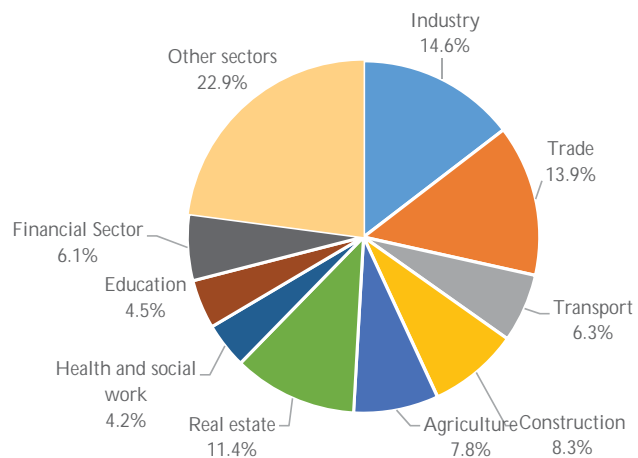
4.8 %

Economic growth in 2018

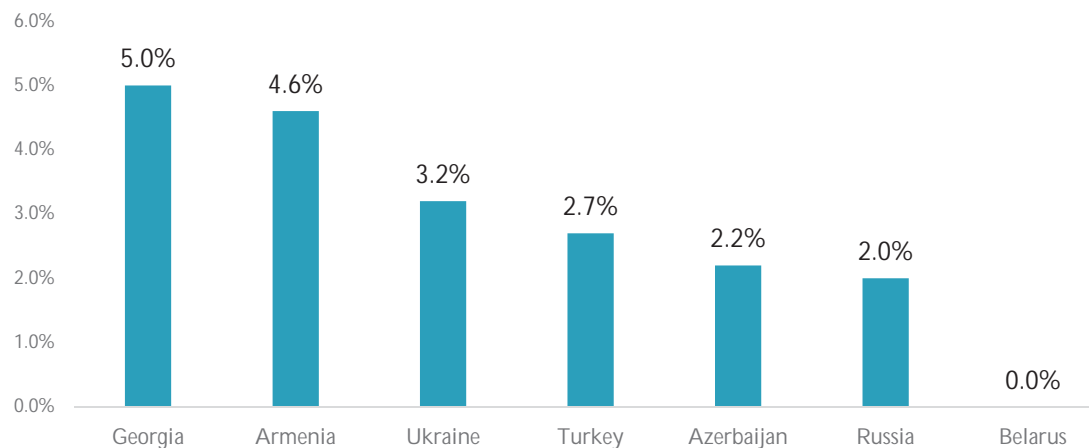
5.0 %

Average real GDP growth projection in 2020-2024, according to IMF

GDP BY SECTORS - 2018



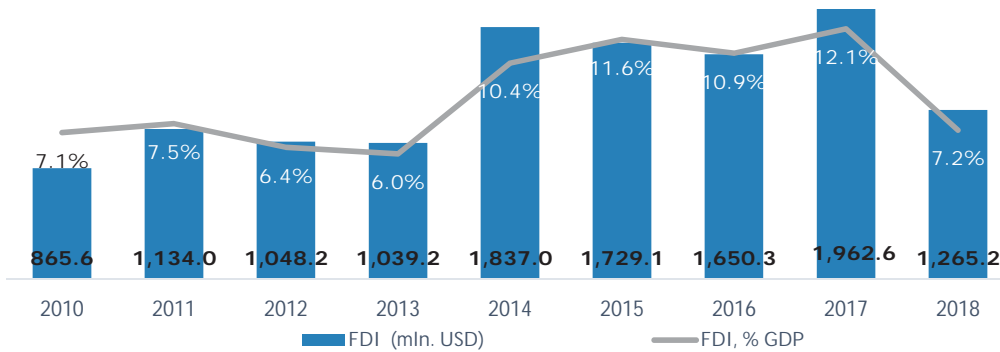
ECONOMIC GROWTH PROJECTIONS 2020-2024 (IMF)



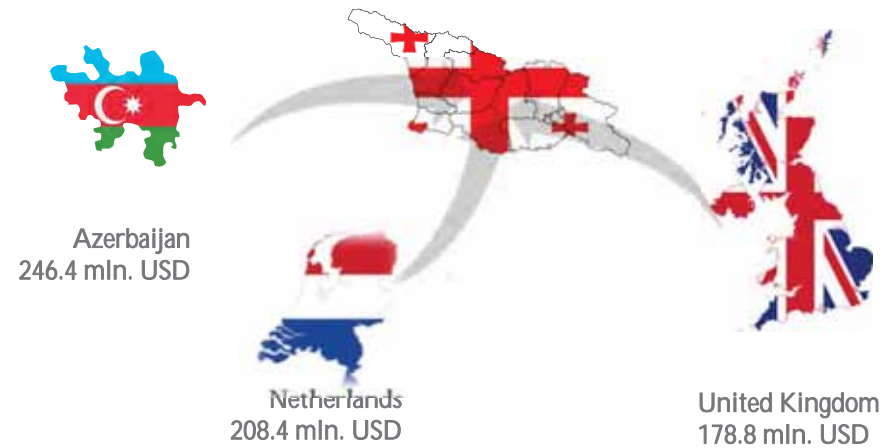
# Foreign Direct Investments



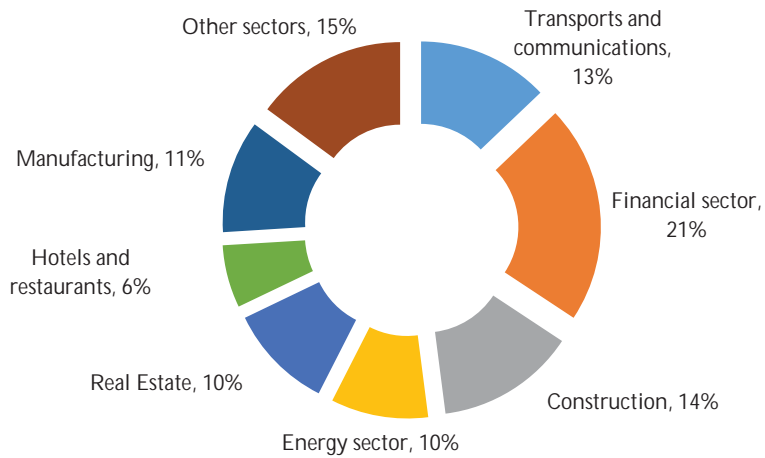
FOREIGN DIRECT INVESTMENTS



TOP INVESTOR COUNTRIES 2018



FDI BY ECONOMIC SECTORS - 2018



In 2017 FDI in Georgia amounted to 1,962.6mIn. USD reaching all time record high.

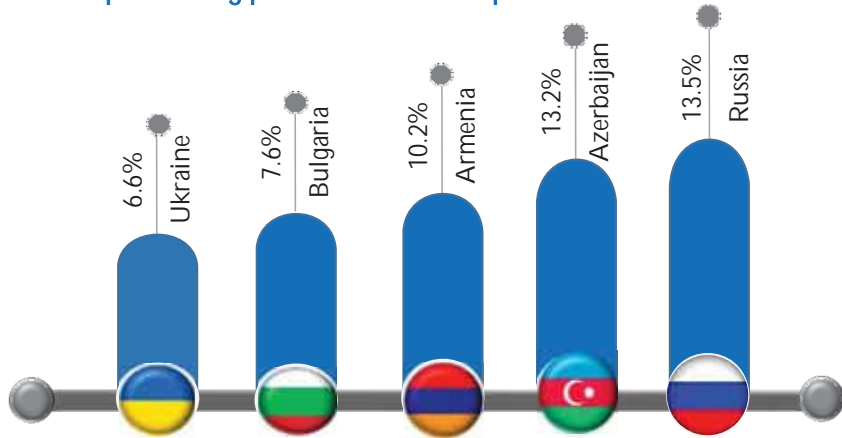
In 2018 FDI amounted to 1,265.2 mIn. USD.

In first half of 2019 FDI amounted to 473.2 mIn. USD.

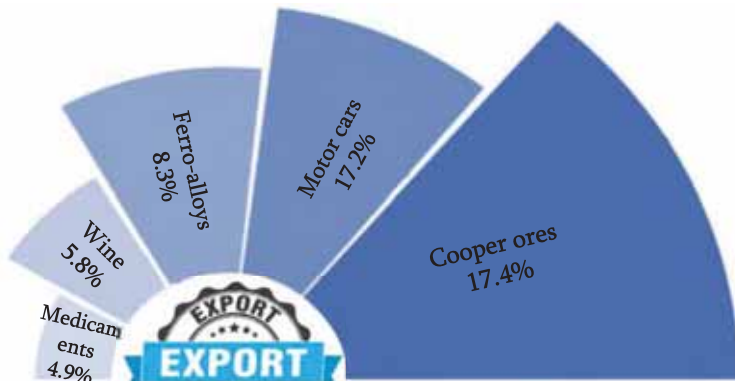
# External Trade



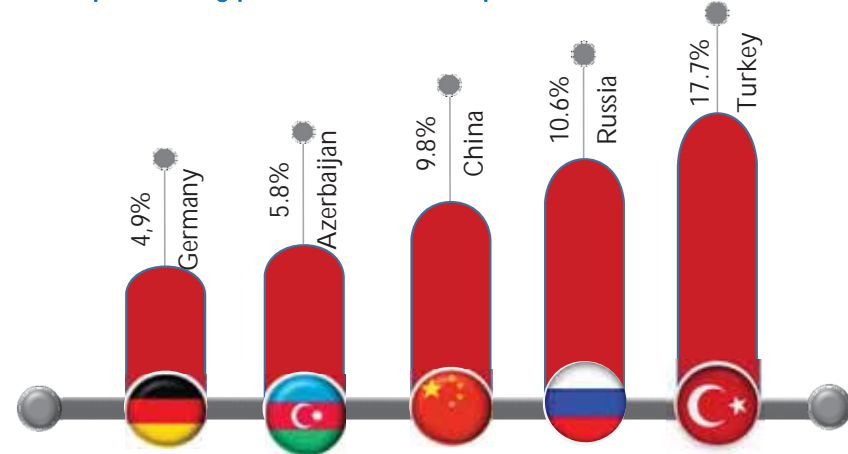
Top 5 trading partners in total Exports – 2019 Jan-Oct\*



Top 5 commodity positions by Exports - 2019 Jan-Oct\*



Top 5 trading partners in total Imports – 2019 Jan-Oct\*

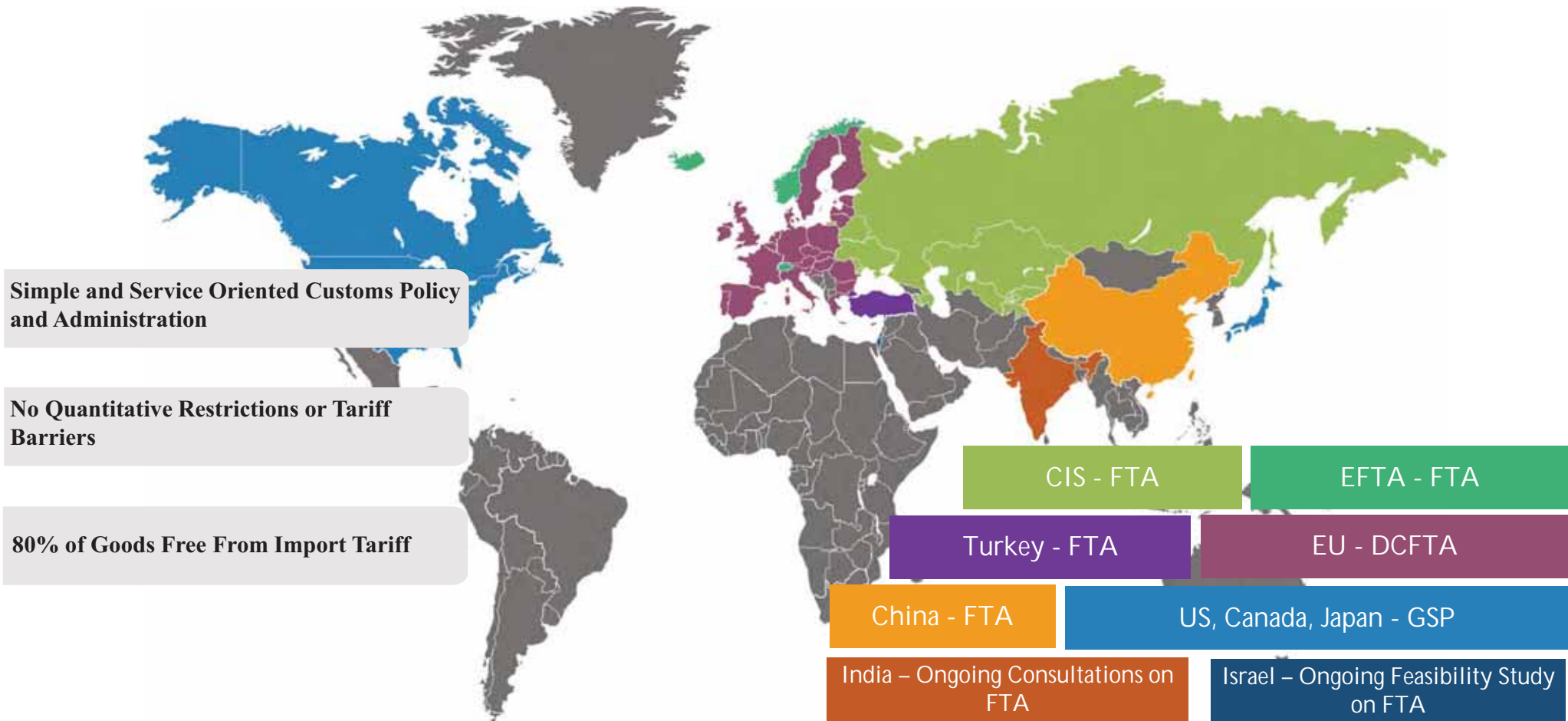


Top 5 commodity positions by Import - 2019 Jan-Oct\*



\*Preliminary data  
Source: [www.geostat.ge](http://www.geostat.ge)

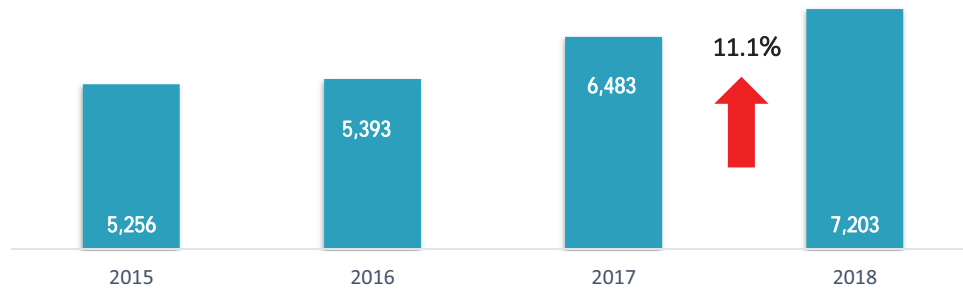
## Rapidly Increasing Market Size by FTAs



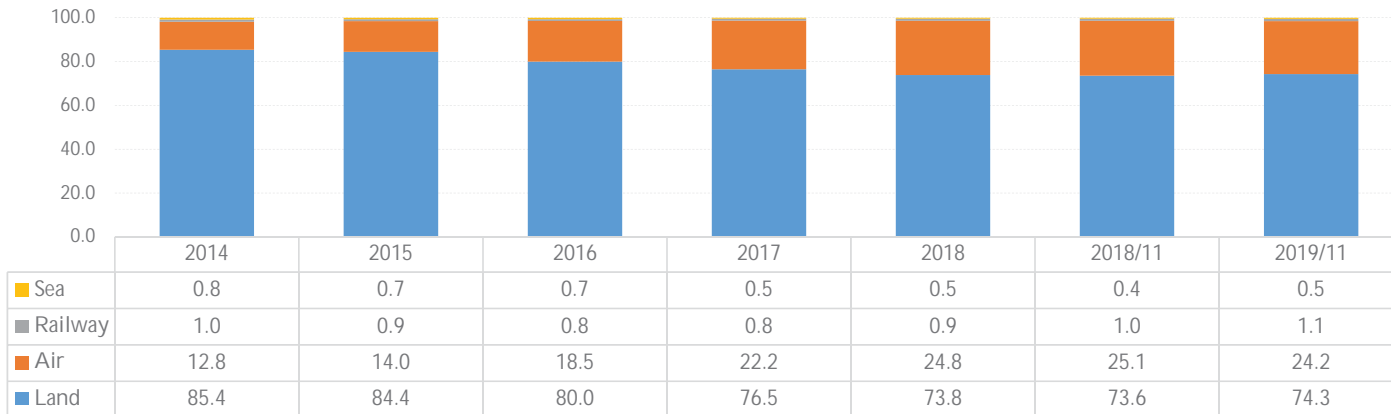
# Tourism Statistics



INTERNATIONAL VISITORS (THOUSAND)



Share (%)



Source : Information Centre, Information and Analytical Department, Ministry of Internal Affairs of Georgia

# Business Friendly Environment



## Doing Business (out of 190 countries)

#7

Up from #112 in 2005

Georgia is one of the leading countries in the world in terms of starting a business, dealing with bureaucracy and the number of procedures required to launch and operate an



## Economic Freedom (out of 180 countries)

#16

Up from #99 in 2005

Majority of Georgia's reforms are oriented on the development of free, open and transparent, private-sector driven market economy



## Corruption Perception (out of 180 countries)

#41

Up from #130 in 2005

Alongside recognitions as the top reformer in the world, Georgia is the leader in the wider region in terms of fighting with corruption



## Crime Index (out of 125 countries)

#5

World

In the last ranking of countries by crime index, Georgia was named as one of the safest places in the world







# Transport Network of Georgia



## Roads

- Total Length: ≈ 20 000 km
- Capacity: min. 8-10 thousand motor vehicles, max. 50 thousand motor vehicles per day (highway)

## Railway

- Total Length: 1,342 km
- Annual Capacity: 28 mln tons

## Pipelines

### Baku–Tbilisi–Ceyhan (BTC) pipeline (BP 30.1 %)

- Total Length: 1768 km
- Annual Capacity: 60 mln tons

### Baku-Supsa Pipeline (BP)

- Total Length: 830 km, Diameter - 530 mm
- Annual Capacity: 8 mln tons

## Sea Ports & Terminals

### Poti Sea Port (APM Terminals)

- Berths - 15
- Depth: 8-11m
- Annual Capacity: 4 mln tons of dry cargo, 1 mln tons of oil products, 1.0 mln. Ferry cargo, 500 000 TEU

### Batumi Sea Port (BIH)

- Berths - 11
- Depth: 9-12m
- Annual Capacity: 15 mln tons of oil products, 2 mln tons of dry cargo, 0.7 mln. Ferry cargo, 180 000-200 000 TEU, 180 000 passengers

### Kulevi Sea Terminal (Socar)

- Berths - 2
- Depth: 17.10 m and 13.60 m
- Annual Capacity: 6 mln tons of oil products

### Supsa Sea Terminal (BP)

- Annual Capacity: 8 mln tons of oil

## Airports

### Tbilisi International Airport (TAV)

- Capacity: ≈3 000 passengers per hour

### Kutaisi International Airport (UAG)

- Capacity: ≈800 passengers per hour

### Batumi International Airport (TAV)

- Capacity: ≈600 passengers per hour

### Ambrolauri Domestic Airport (UAG)

- Capacity: ≈100 passengers per hour

### Mestia Domestic Airport (UAG)

- Capacity: ≈50 passengers per hour

### Natakhtari Domestic Airport (UAG)

- Capacity: ≈50 passengers per hour

### Telavi Domestic Airport (UAG)

- Flight training

# Transport Infrastructure Development

## Extension of Trans-European Transport Network (TEN-T)



- ❑ TEN-T is divided into “Core” and “Comprehensive” networks:
  - „**Comprehensive**” network – covers the whole EU region and includes all transport modes
  - „**Core**” Network - is a part of the comprehensive network consisting of the most important transport connections and is considered as a high priority
- ❑ Completion of the TEN-T Core Network is planned by 2030 and of the Comprehensive Network by 2050
- ❑ High-level Understanding between Georgia and the EU on the Trans-European Transport Network Extension to Georgia was signed in Brussels on 18 July 2018
- ❑ Extension of the TEN-T to the Eastern Partnership (EaP) region officially came into force on 9 January 2019

Indicative maps of the core network in Georgia, roads  
Comprehensive & Core Networks: Roads, ports, rail-road terminals and airports  
Eastern Partnership Transport Network: Georgia



Indicative maps of the core network in Georgia, railways  
Comprehensive Network: Railways, ports, rail-road terminals and airports  
Core Network: Railways, ports, rail-road terminals and airports  
Eastern Partnership Transport Network: Georgia



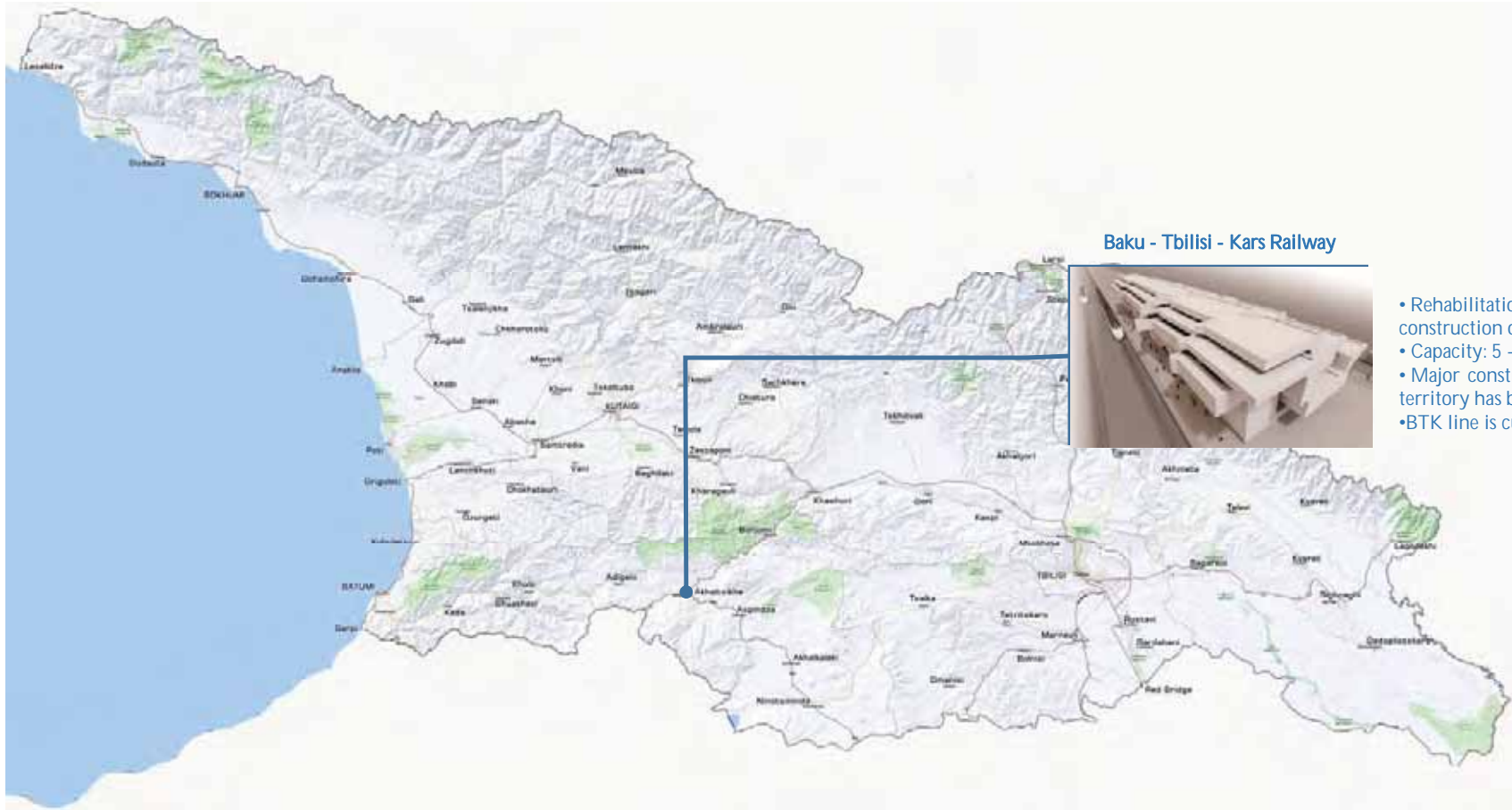
# Transport Infrastructure Development TEN-T Investment Action Plan



- On 15 January 2019, the European Commission published the Indicative TEN-T Investment Action Plan
- The Indicative TEN-T Investment Action Plan identifies priority investments of around 12.8 billion Euros for the EaP countries
- According to the Investment Plan, 18 priority projects with the total cost of around 3.4 bln Euros have been identified in Georgia
- Completion of the priority projects listed in the Investment Action Plan is envisaged by 2030



## Large-scale Railway Project by Georgia and Neighbouring Countries



Baku - Tbilisi - Kars Railway

- Rehabilitation, reconstruction and construction of the 180 km-long railway line
- Capacity: 5 - 15 mln tons, 1 mln passengers
- Major construction works on the Georgian territory has been completed
- BTK line is currently in the testing mode

# Implementation of Large-scale Transport Infrastructure Projects

## Donors and Partners



WB – World Bank



EU – European Union



Kuwait Fund



EIB – European Investment Bank



ADB – Asian Development Bank



JICA – Japan International Cooperation Agency



AIIB – Asian Infrastructure Investment Bank



# Development of Transport Routes and Corridors



Georgia is a member since 1993



Georgia is a member since 2016



# Development of Transport Routes and Corridors



## Black Sea - Caspian Sea Transport Corridor

- Participating countries: Turkmenistan, Azerbaijan, Georgia, Romania



## Lapis Lazuli Route

- Participating countries: Afghanistan, Turkmenistan, Azerbaijan, Georgia, Turkey



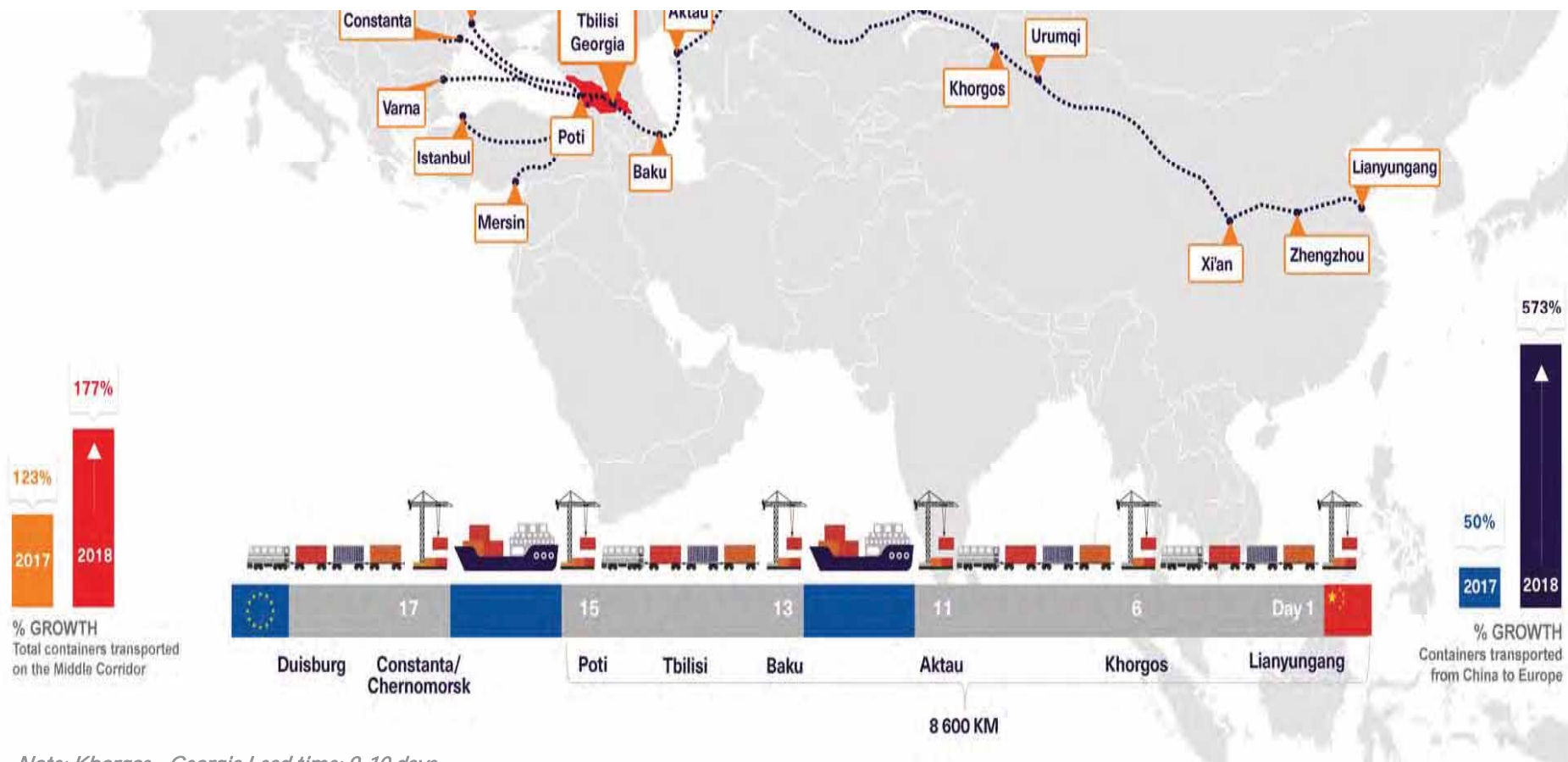
## Persian Gulf-Black Sea Corridor

- Participating countries: Iran, Azerbaijan, Armenia, Georgia, Bulgaria, Greece



# Railway - Based Multimodal Transportation between Europe and Asia

## Middle Corridor



Note: Khorgos - Georgia Lead time: 9-10 days  
Lianyungang - Khorgos Lead time: 5 days





## One Stop Shop Principle



- Reduced transit formalities
- Paperless environment
- Effective control mechanism based on risk management





## Customs Clearance Zone - One Place, Multiple Services





## Unified Electronic System of Licenses, Permits and Certificates



- At present 7 state agencies are part of the system issuing about 25 licenses/permits/certificates.
- More than 50% among them are issued by Georgia Revenue Service.
- Online validation of Certificate of Origin for CT1 in place.
- Same system is Planned with China

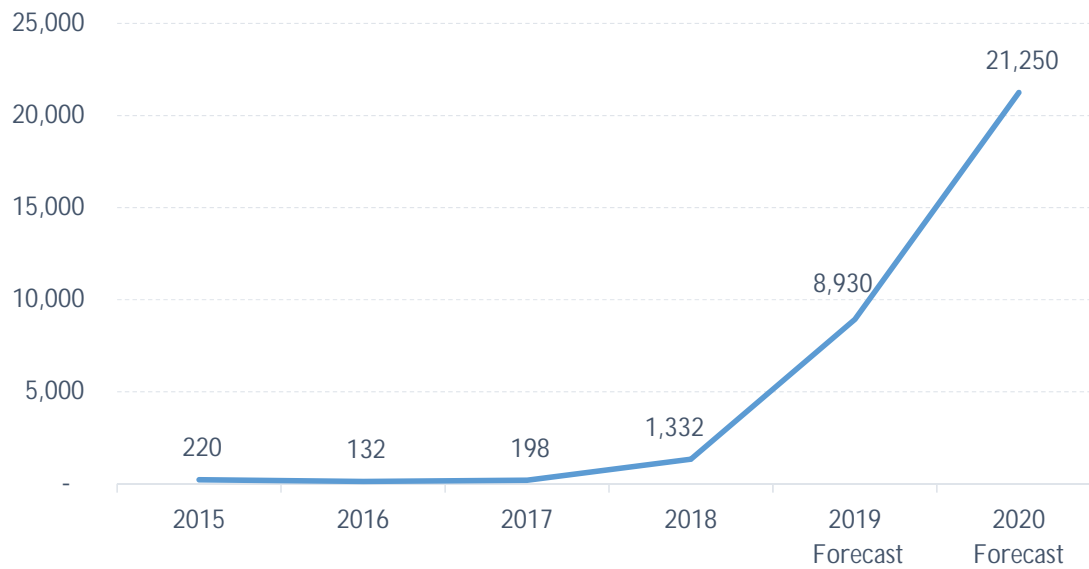




## China-Europe Projections



Total TEU



### Factors:

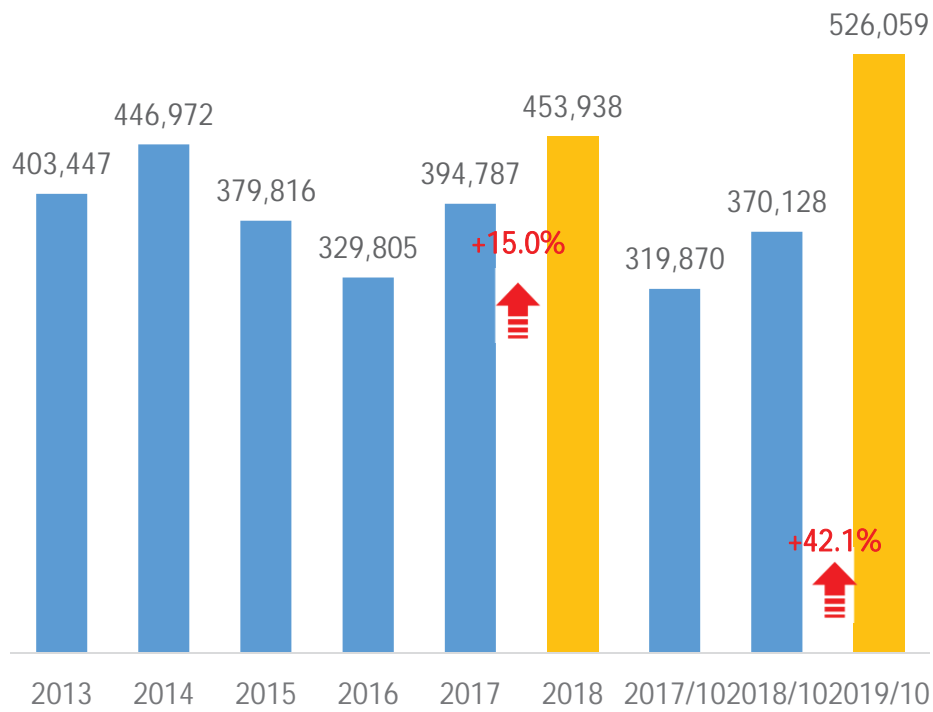
- Increased tendency in transportation of tomato pasta to Italy
- Block trains from Lianyungang to Istanbul
- Local export and transit from Turkey
- Rhine-Danube direction development



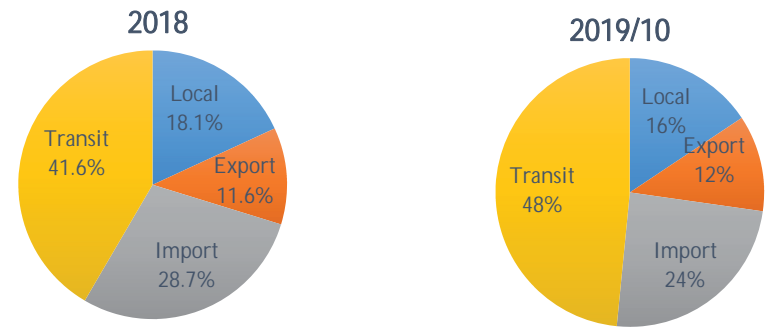
# Statistics



Number of Containers (TEU) Handled by Georgia's Sea Ports in 2013-2019

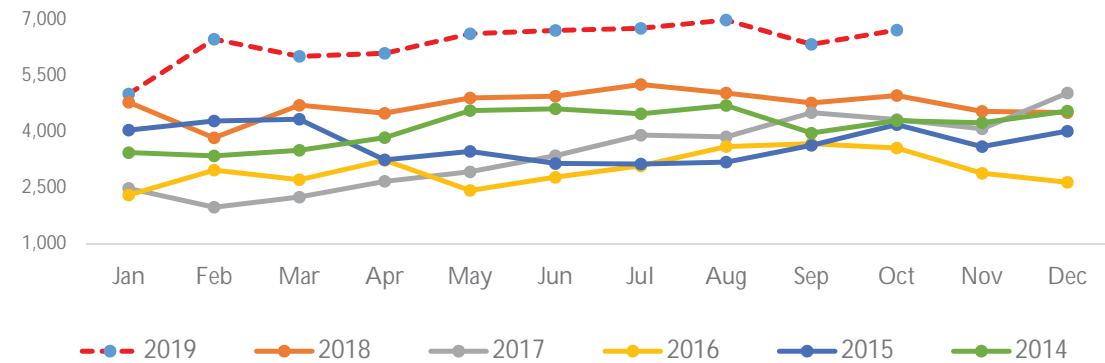


Transported cargo by Georgian Railway



Growth in railway freight in TEU

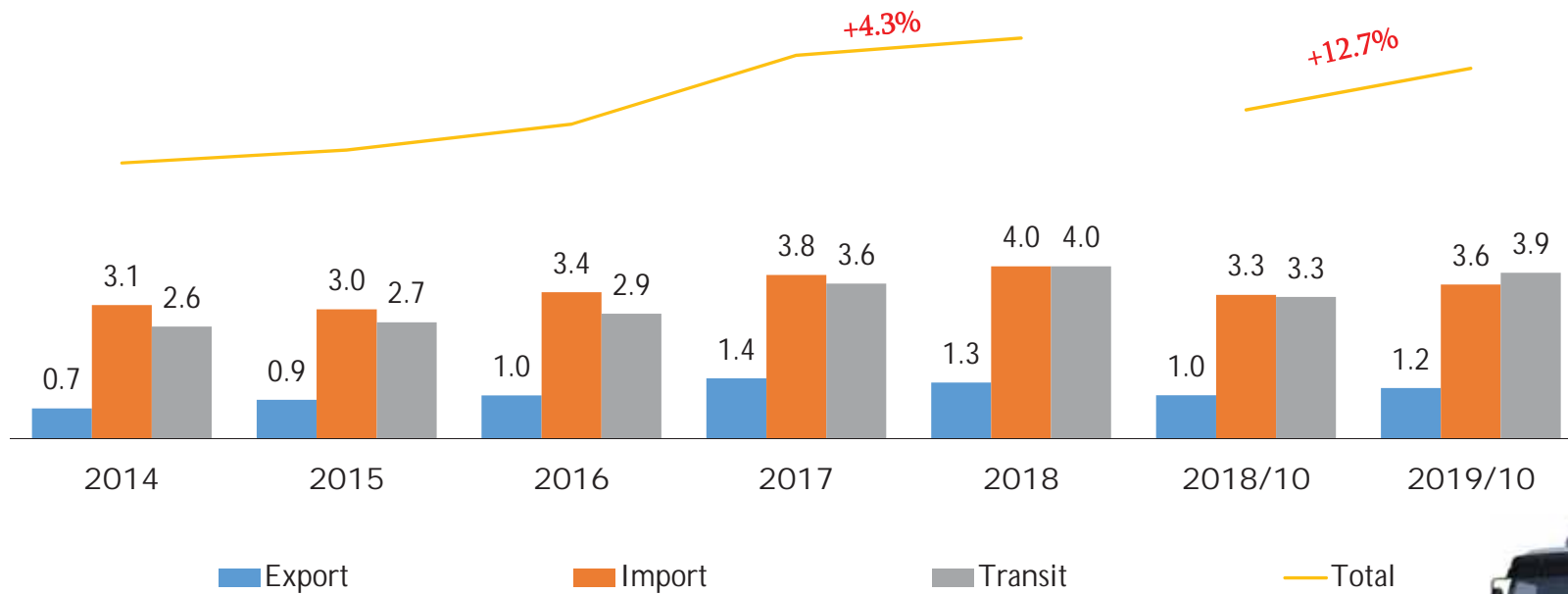
- ✓ 33.6% growth in container business in 2019/10 compared to 2018/10
- ✓ 37.2% growth in container business in 2018 compared to 2017



# Statistics



International Road Transport of Goods in 2014-2019 (mln. tons)



## Bilateral and Multilateral Intergovernmental Transport Agreements



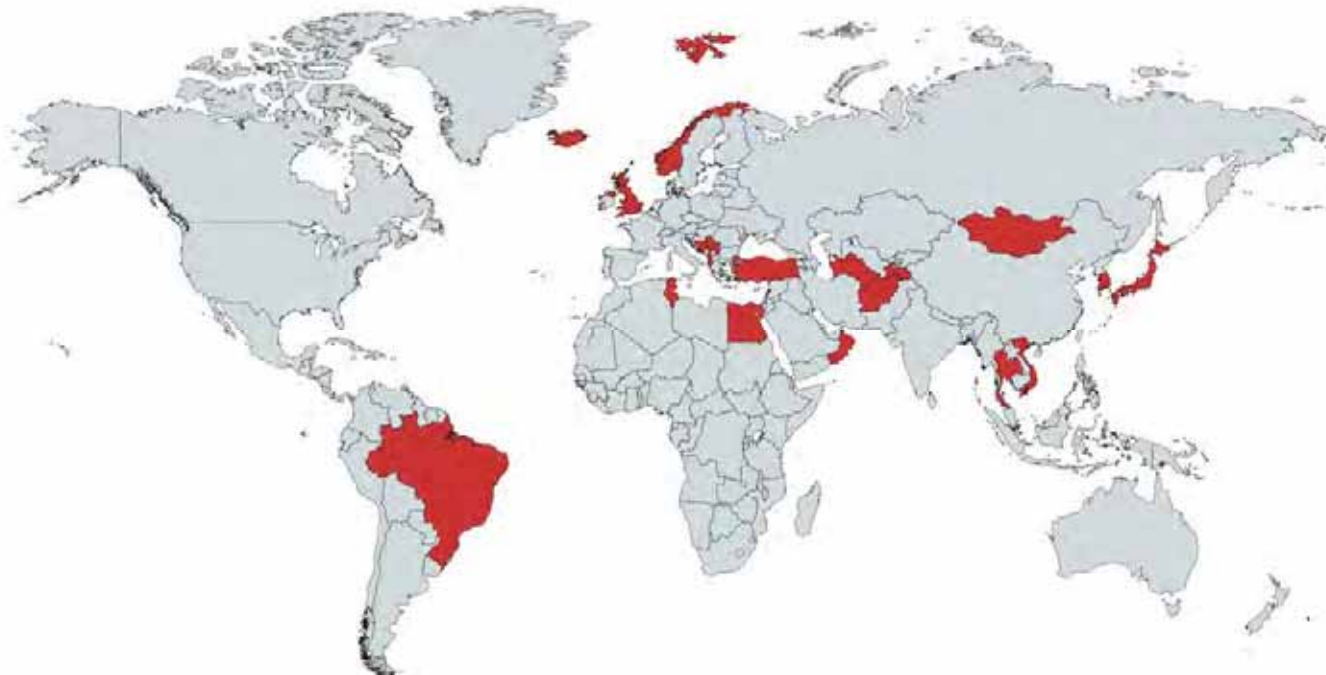
- In total, 104 bilateral and multilateral agreements are concluded:
- ✓ Civil Aviation- 38
- ✓ Maritime Transport - 22
- ✓ Road Transport- 31
- ✓ Railway Transport- 11
- ✓ Transport Corridor- 2

AGREEMENT





## Planned Bilateral Intergovernmental Transport Agreements



- ❑ Work continues on 27 bilateral agreements
- ✓ Civil Aviation- 19
- ✓ Maritime Transport - 4
- ✓ Road Transport- 4

Thank you for your attention