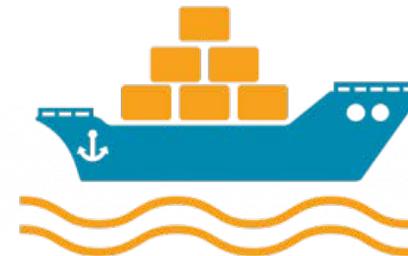




Ministry of Economy and Sustainable Development of Georgia

Georgia as a Gateway to Europe and Asia





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

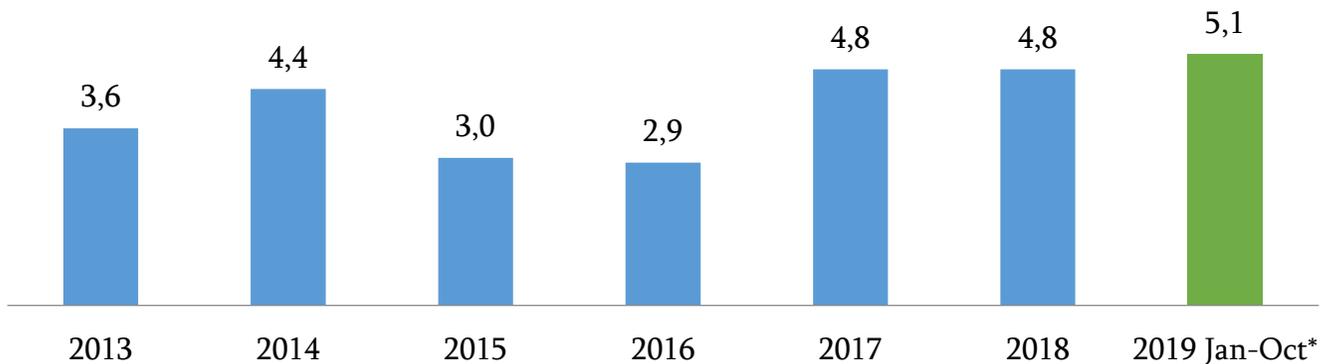


Recognized as one of the easiest places to do business in the world

Economic Growth



ECONOMIC GROWTH(%)



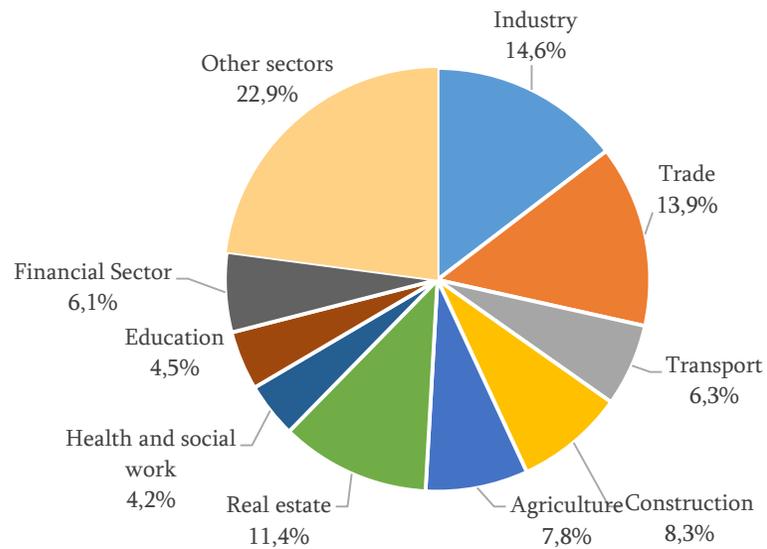
4.8 %

Economic growth in 2018

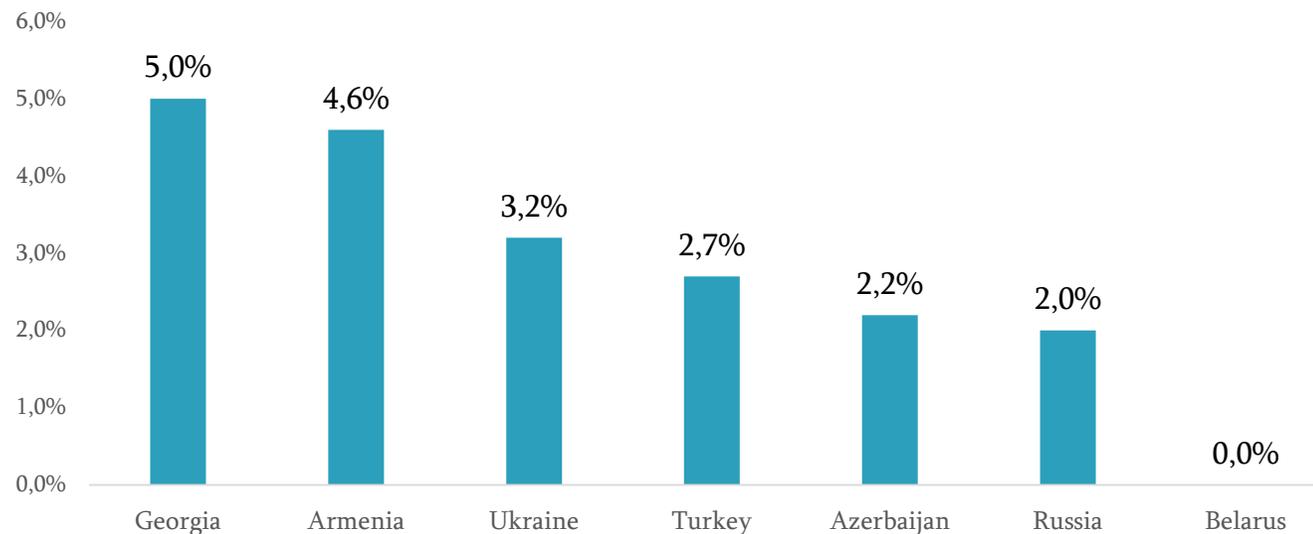
5.0 %

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

GDP BY SECTORS - 2018



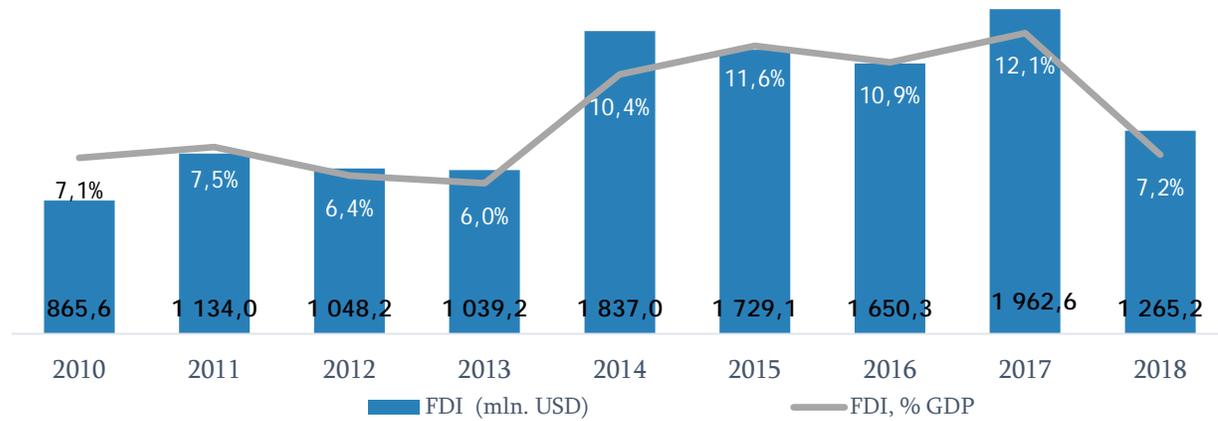
ECONOMIC GROWTH PROJECTIONS 2020-2024 (IMF)



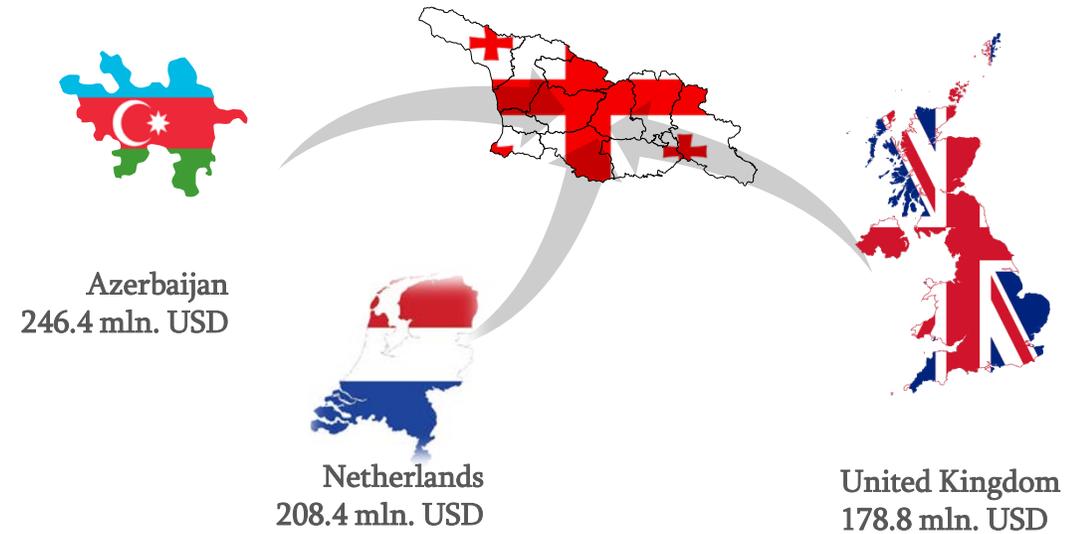
Foreign Direct Investments



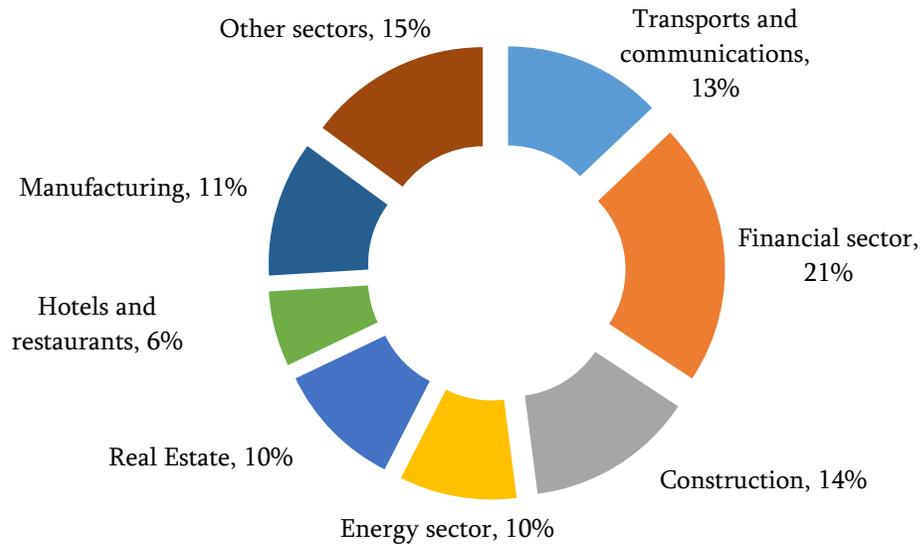
FOREIGN DIRECT INVESTMENTS



TOP INVESTOR COUNTRIES 2018



FDI BY ECONOMIC SECTORS - 2018



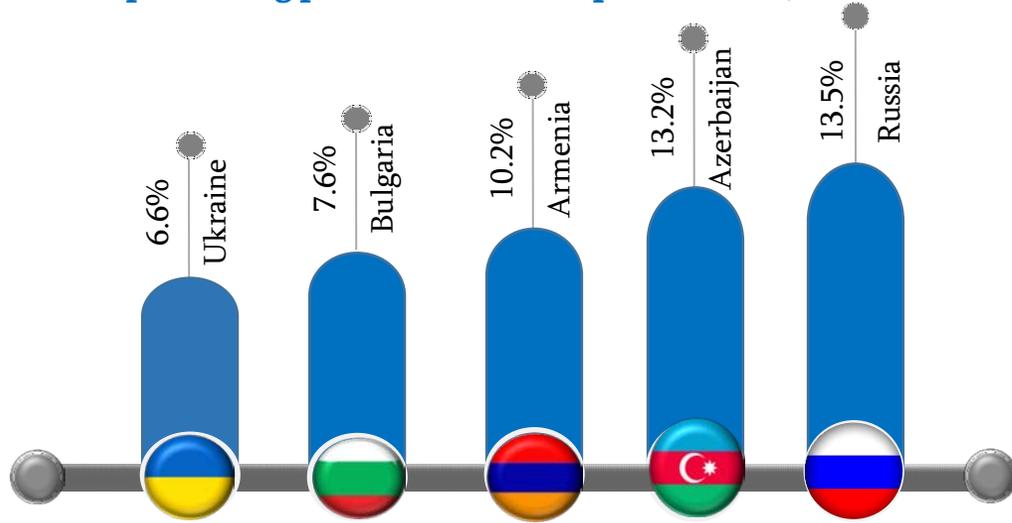
In 2017 FDI in Georgia amounted to 1,962.6mln. USD reaching all time record high.

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

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



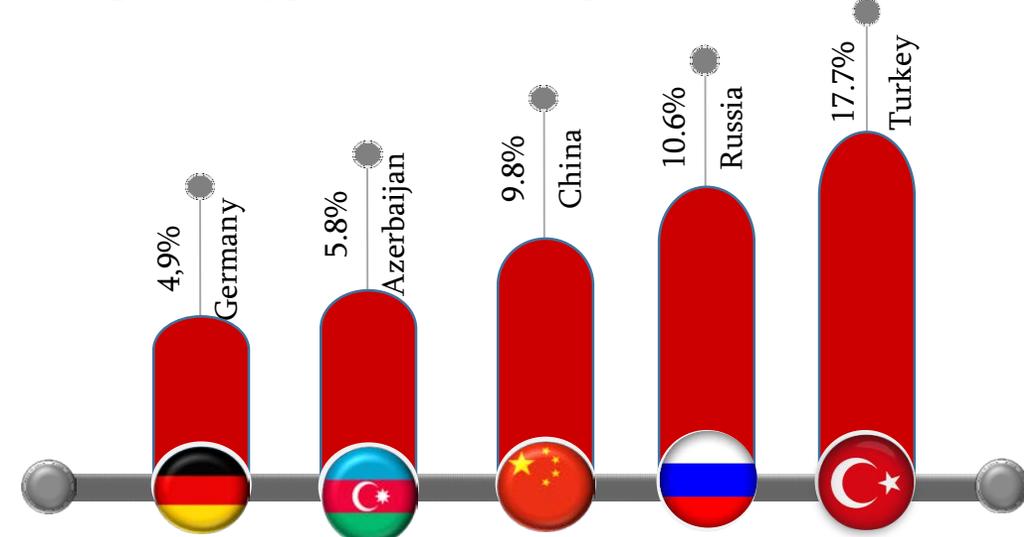
Top 5 trading partners in total Exports – 2019 Jan-Oct*



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



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

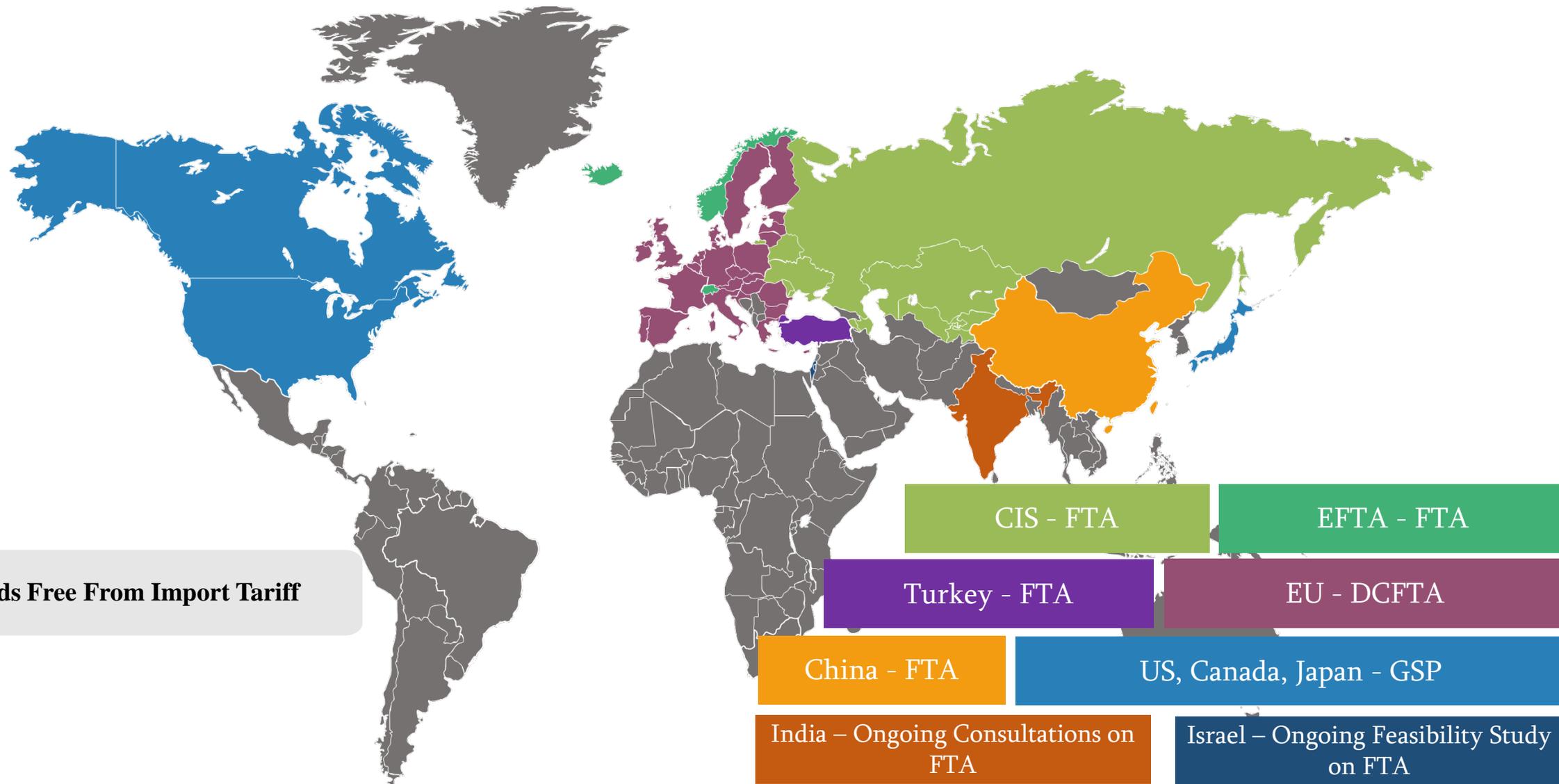


Top 5 commodity positions by Import - 2019 Jan-Oct*



*Preliminary data
Source: www.geostat.ge

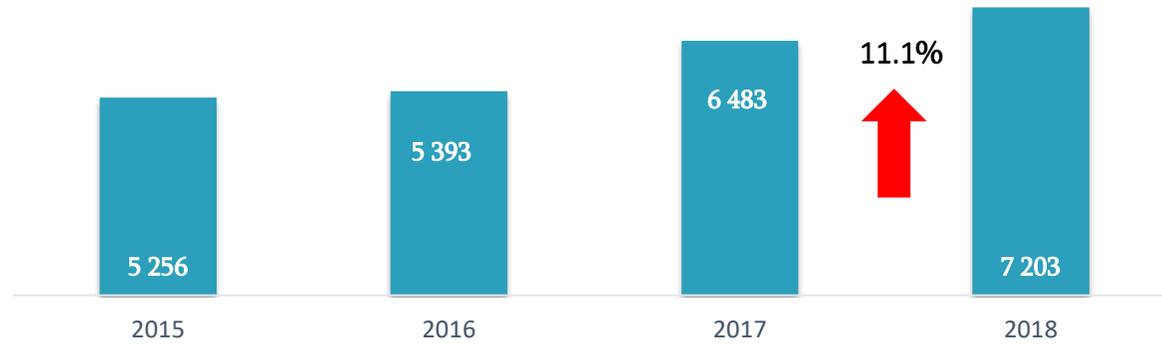
Rapidly Increasing Market Size by FTAs



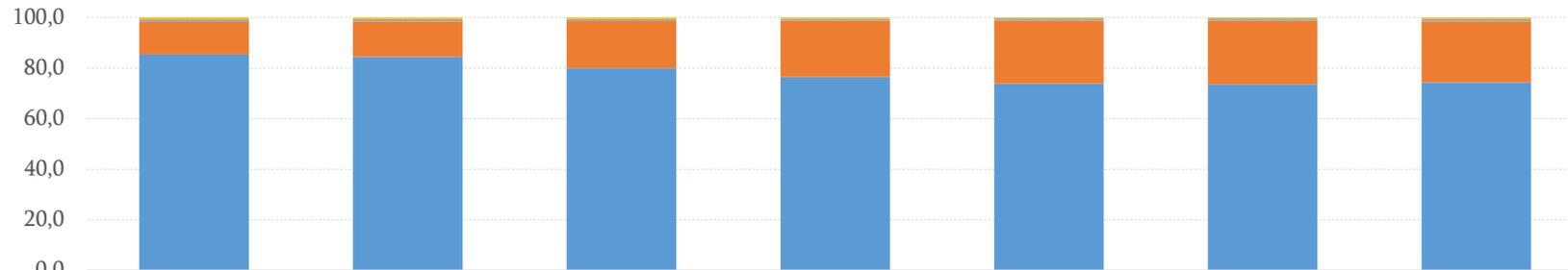
80% of Goods Free From Import Tariff



INTERNATIONAL VISITORS (THOUSAND)



Share (%)



	2014	2015	2016	2017	2018	2018/11	2019/11
Sea	0,8	0,7	0,7	0,5	0,5	0,4	0,5
Railway	1,0	0,9	0,8	0,8	0,9	1,0	1,1
Air	12,8	14,0	18,5	22,2	24,8	25,1	24,2
Land	85,4	84,4	80,0	76,5	73,8	73,6	74,3



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



Doing Business (out of 190 countries)

Nº7

Up from Nº112 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)

Nº16

Up from Nº99 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)

Nº41

Up from Nº130 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)

Nº5

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: \approx 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

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, 550 000 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: \approx 3 000 passengers per hour

Kutaisi International Airport (UAG)

- Capacity: \approx 800 passengers per hour

Batumi International Airport (TAV)

- Capacity: \approx 600 passengers per hour

Ambrolauri Domestic Airport (UAG)

- Capacity: \approx 100 passengers per hour

Mestia Domestic Airport (UAG)

- Capacity: \approx 50 passengers per hour

Natakhtari Domestic Airport (UAG)

- Capacity: \approx 50 passengers per hour

Telavi Domestic Airport (UAG)

- Flight training

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

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

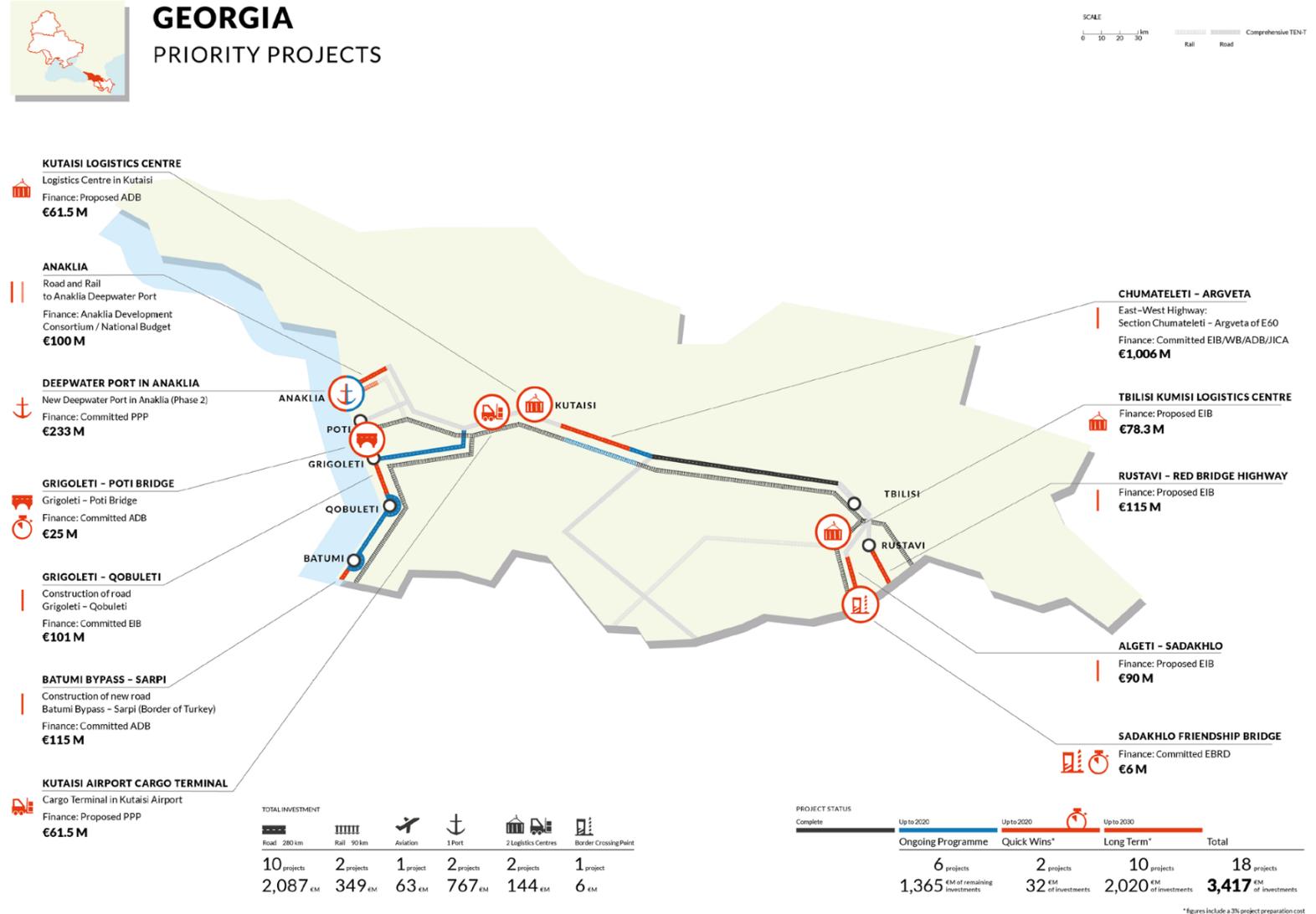


Transport Infrastructure Development

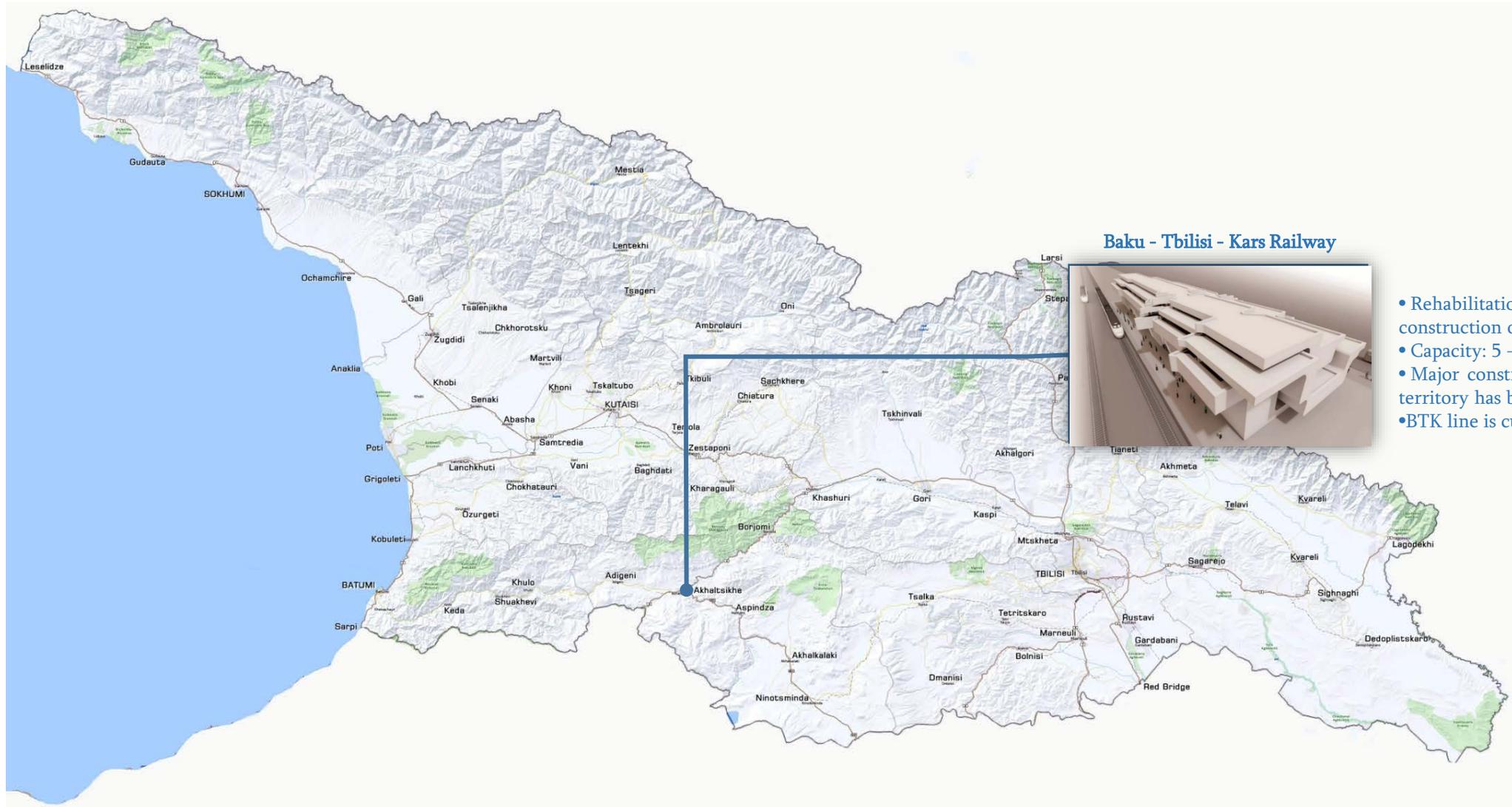
TEN-T Investment Action Plan



- 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

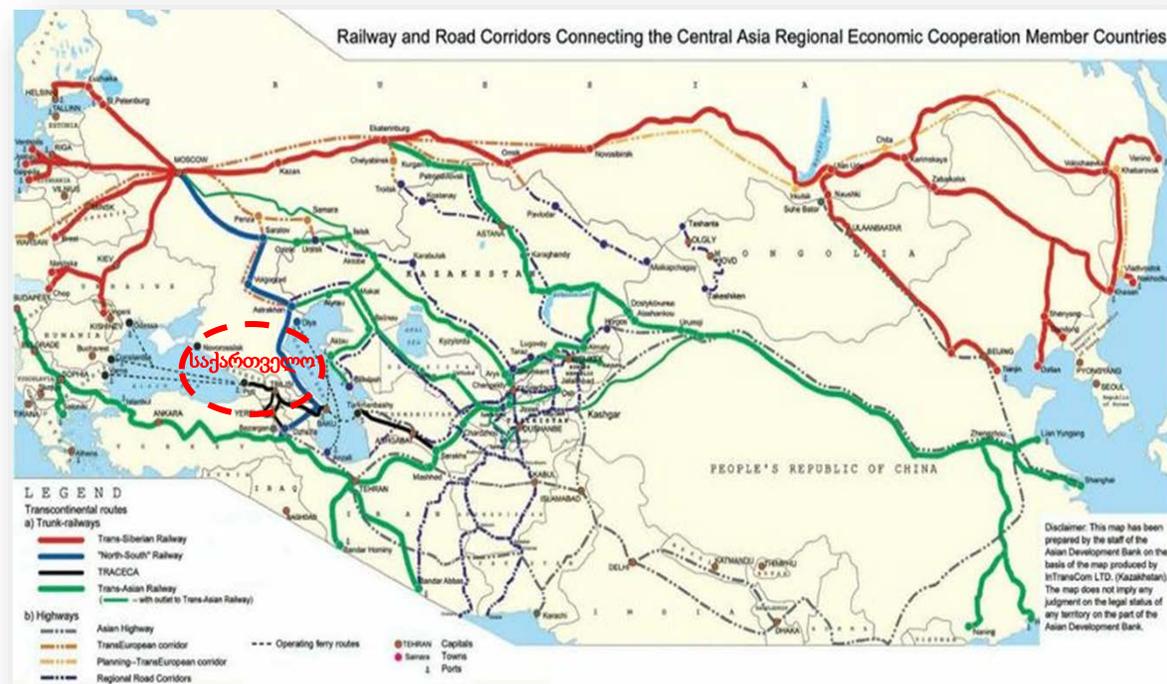
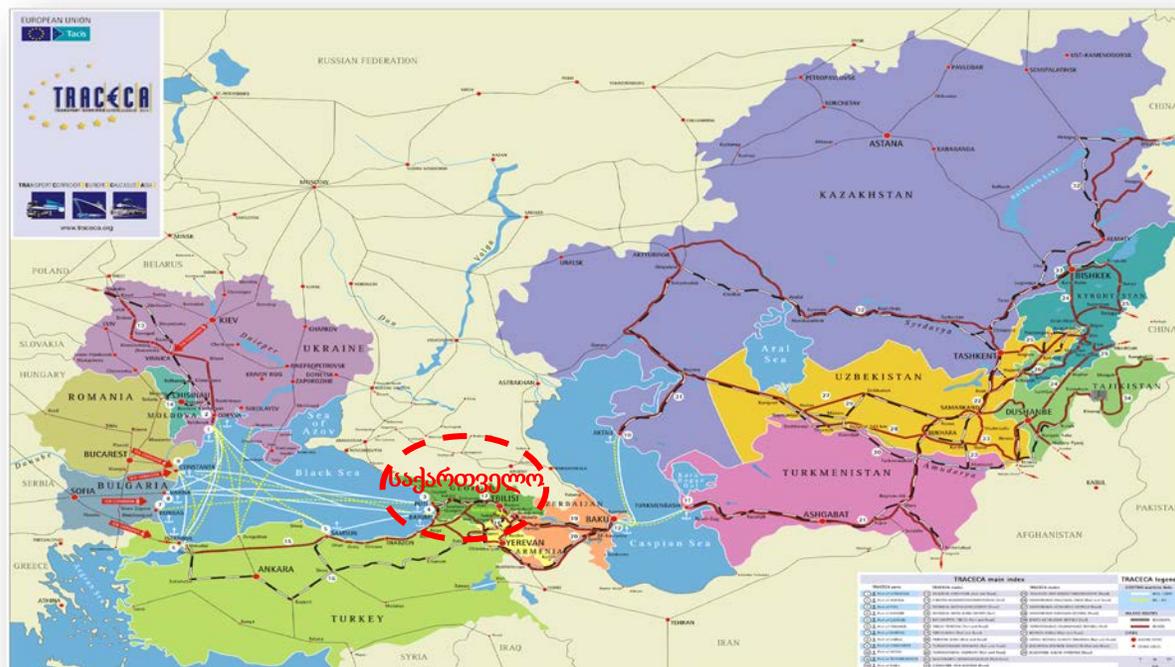
Development of Transport Routes and Corridors



Georgia is a member since 1993



Georgia is a member since 2016





Black Sea - Caspian Sea Transport Corridor

- Participating countries: Turkmenistan, Azerbaijan, Georgia, Romania



Lapis Lazuli Route

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



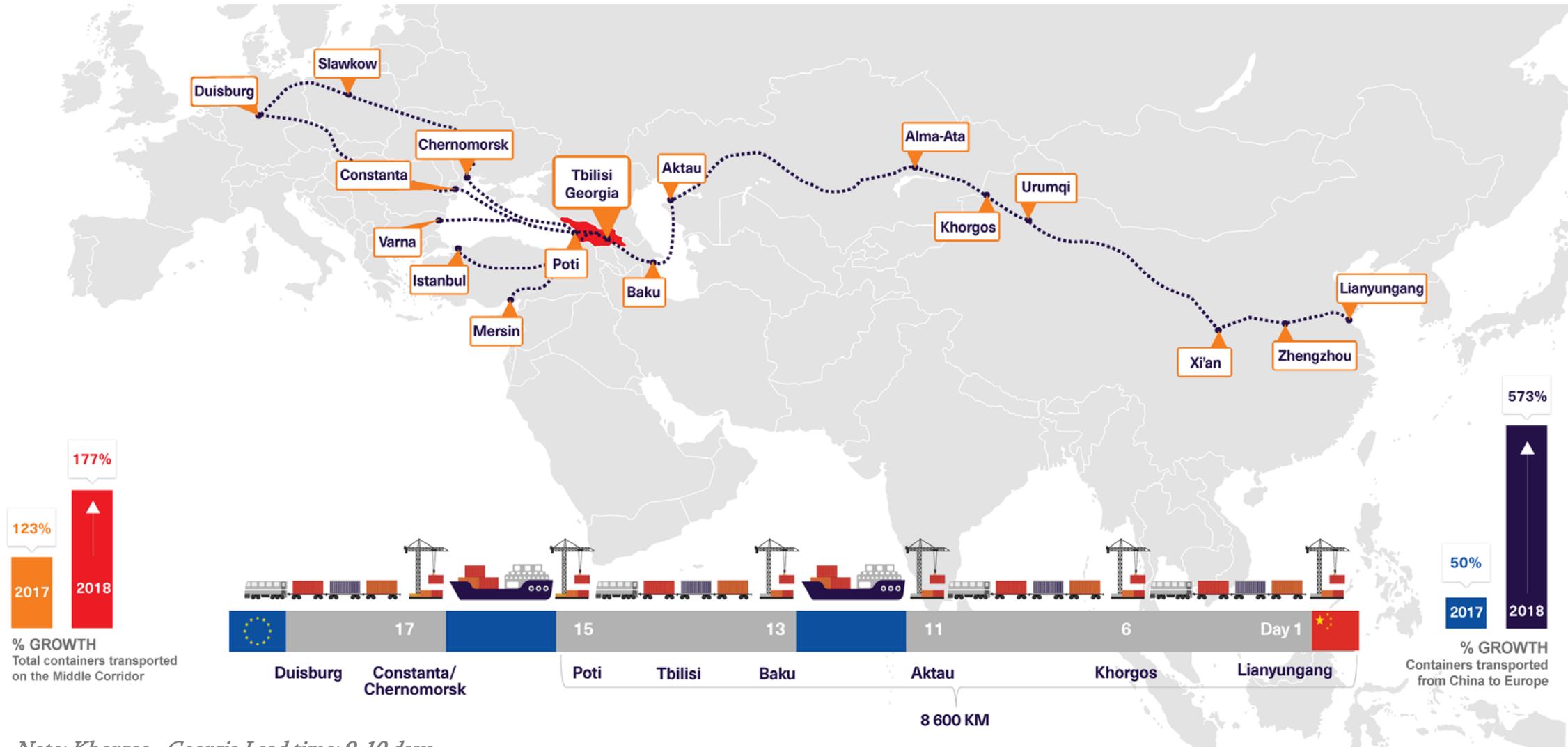
Persian Gulf-Black Sea Corridor

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



Railway - Based Multimodal Transportation between Europe and Asia

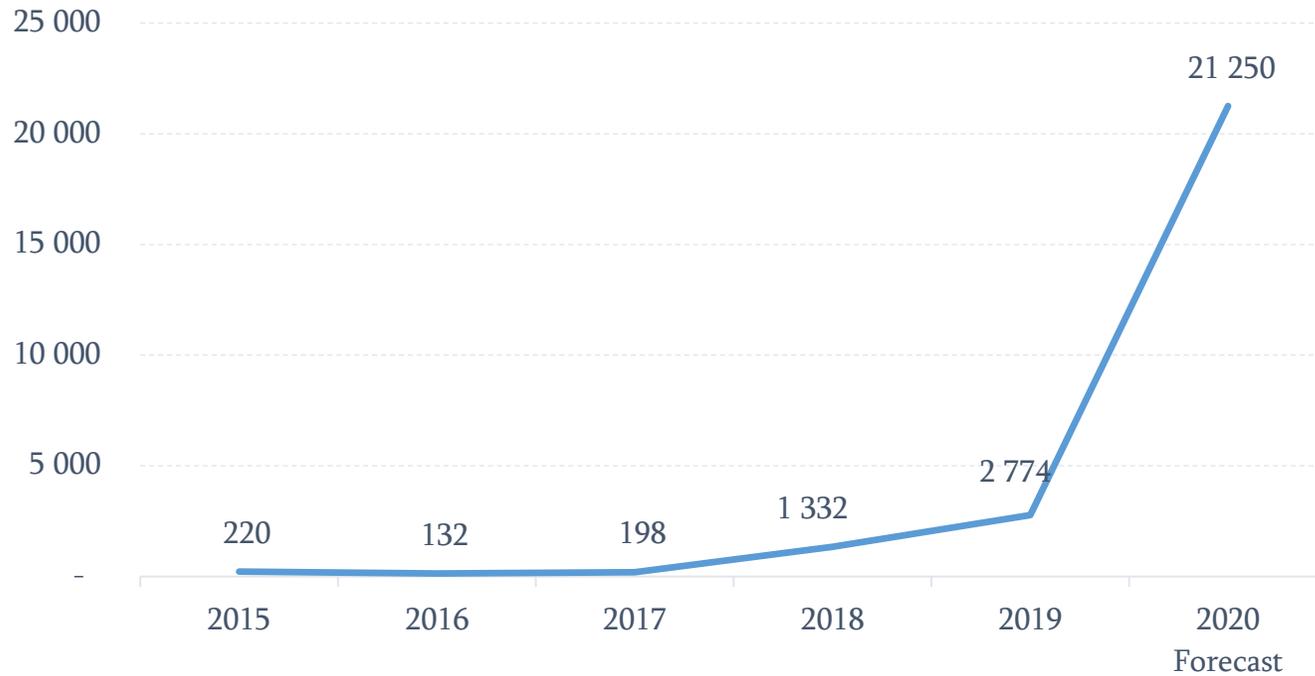
Middle Corridor



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



Total TEU



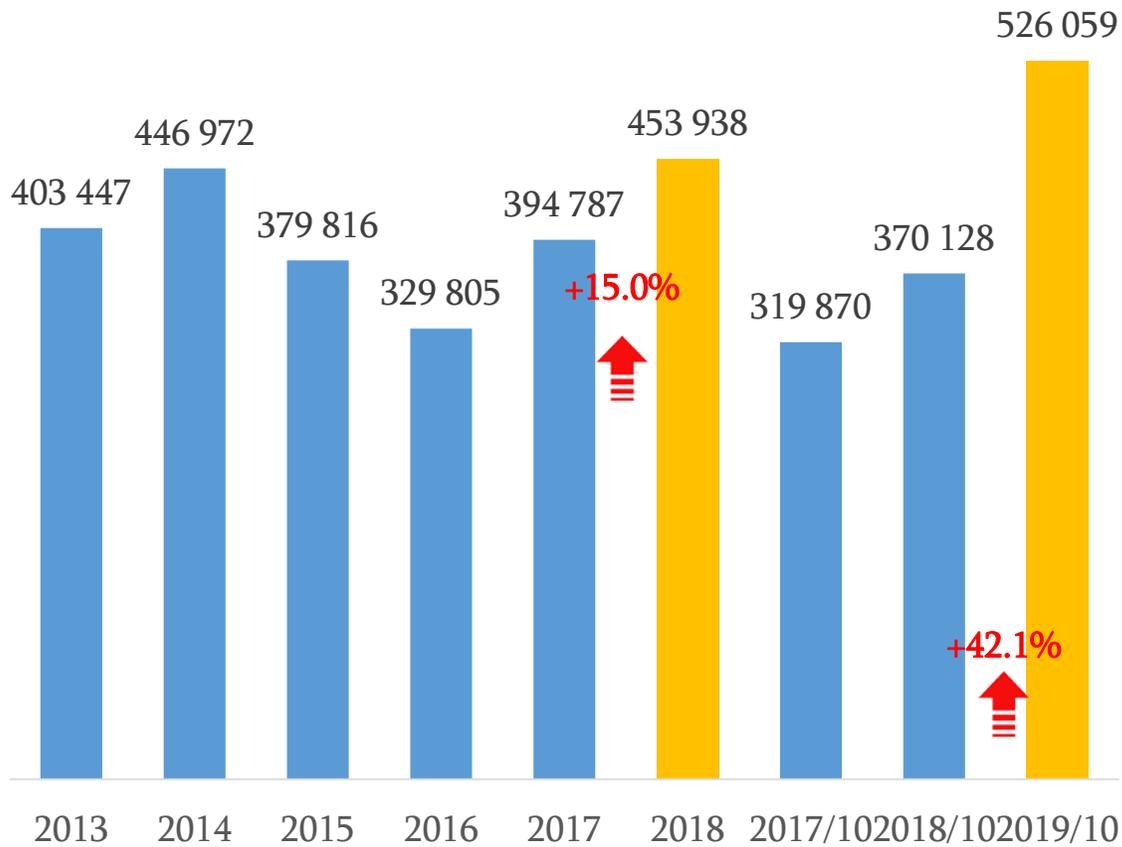
Factors:

- 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

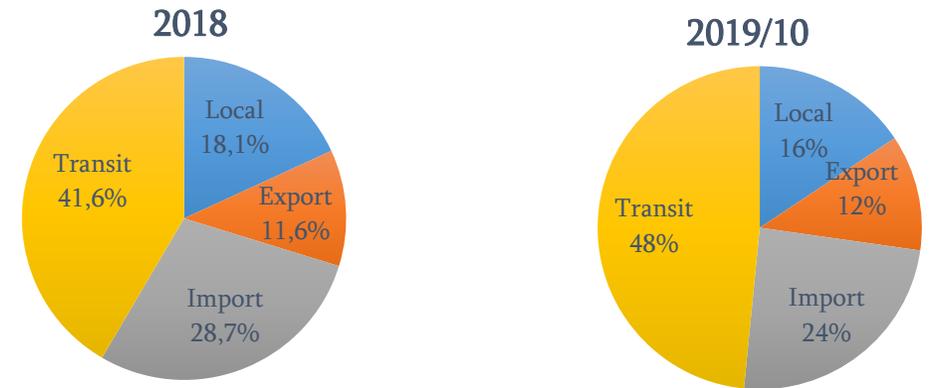




Number of Containers (TEU) Handled by Georgia's Sea Ports in 2013-2019

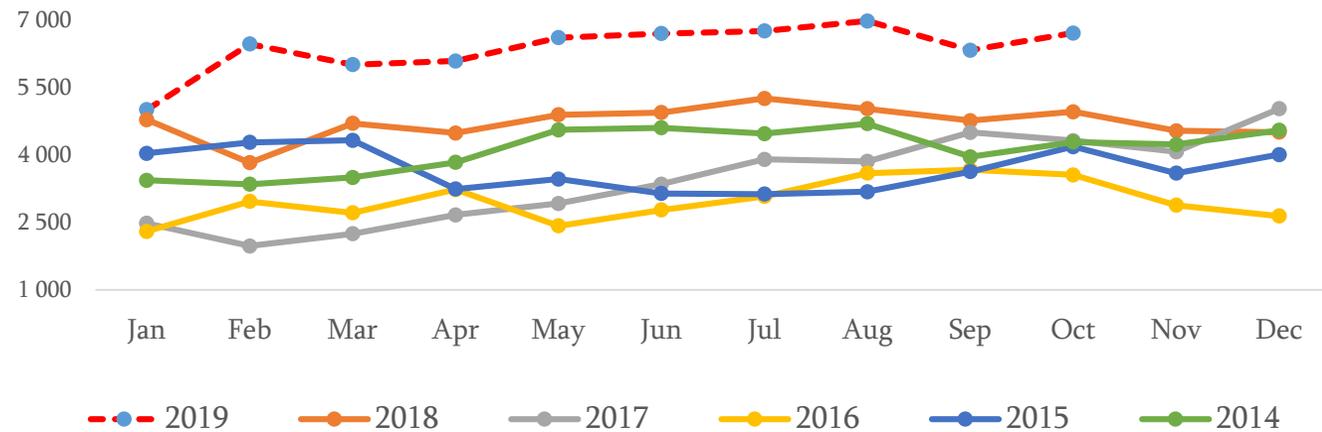


Transported cargo by Georgian Railway



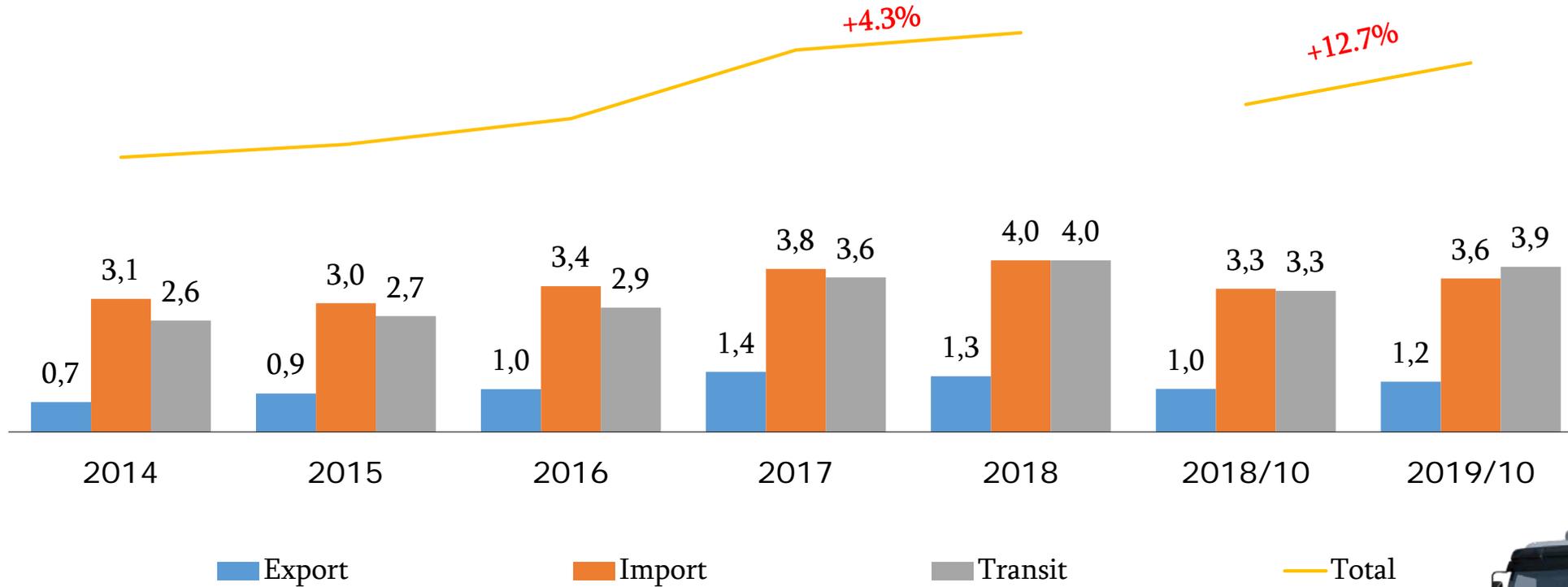
Growth in railway freight in TEU

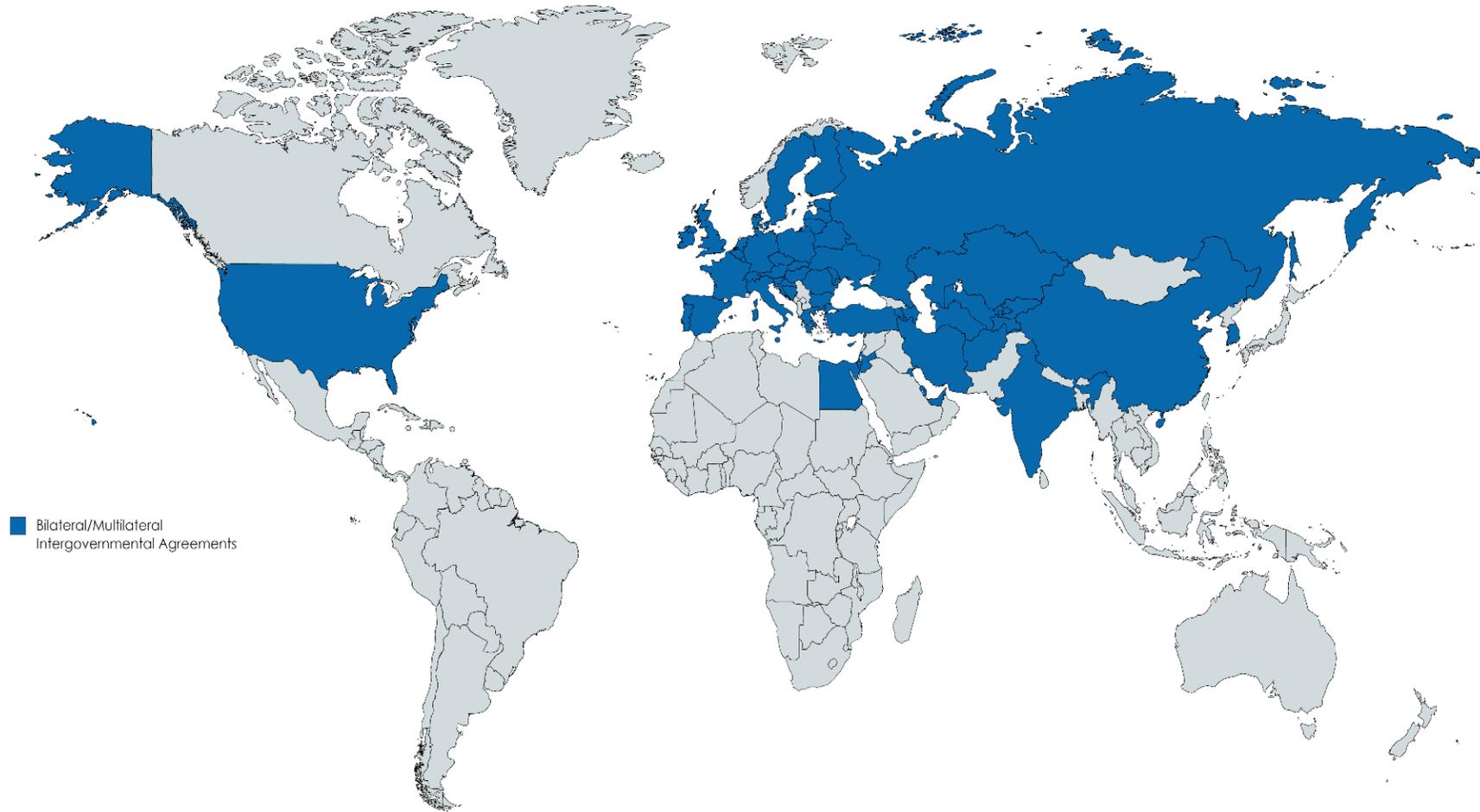
- ✓ 33.6% growth in container business in 2019/10 compared to 2018/10
- ✓ 37.2% growth in container business in 2018 compared to 2017





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



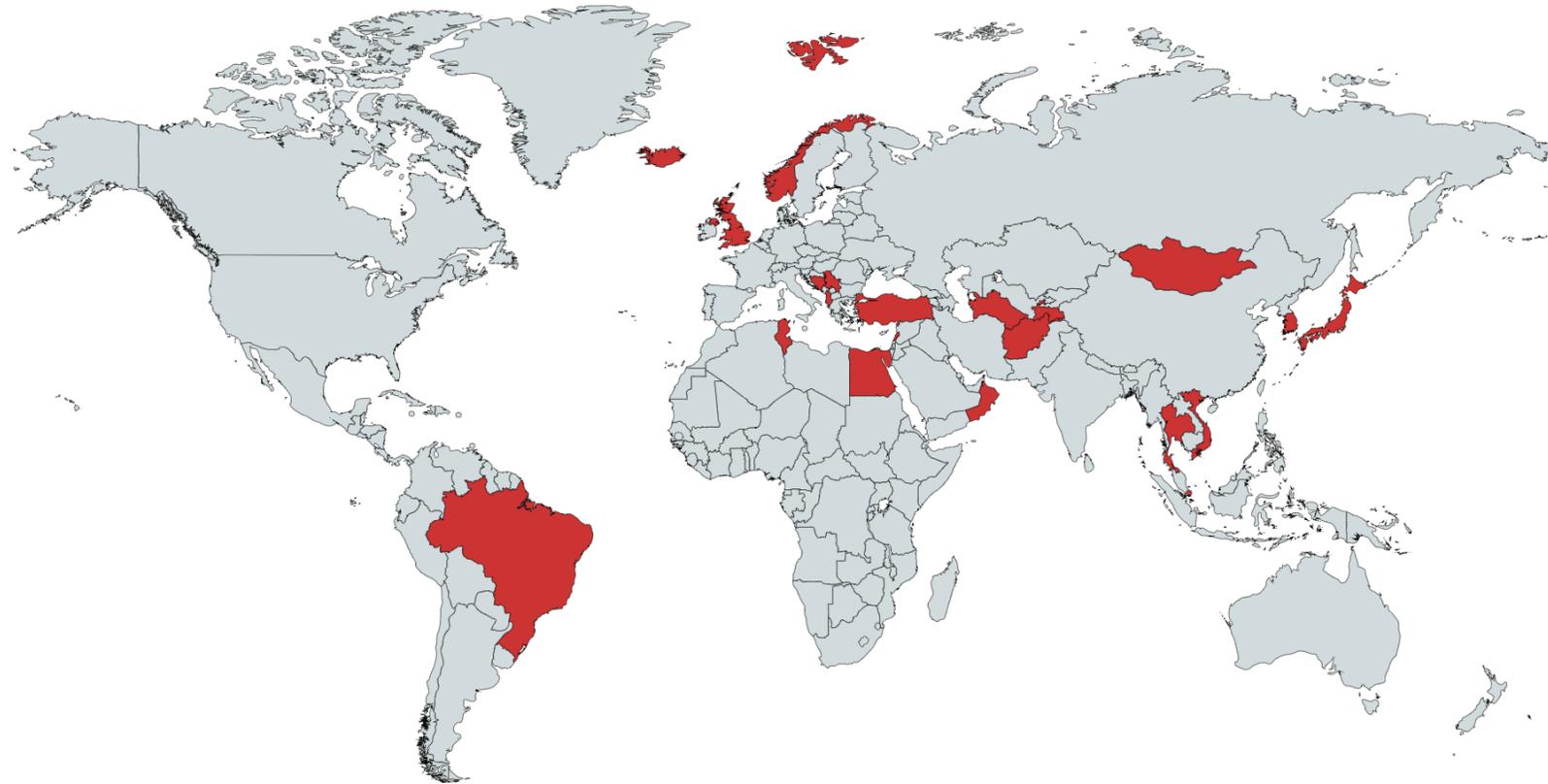


- ❑ In total, 104 bilateral and multilateral agreements are concluded:
- ✓ Civil Aviation- 38
- ✓ Maritime Transport - 22
- ✓ Road Transport- 31
- ✓ Railway Transport- 11
- ✓ Transport Corridor- 2

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