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XVIII National Business Awards 2016 - 2017 Investment Awards



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GRAND PRIZE GOES TO GEORGIAN INDUSTRIAL GROUP



THE
JOURNALISTS
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TO
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ABRAMISHVILI

ANAKLIA DEVELOPMENT CONSORTIUM RECOGNISED AS BEST INVESTOR OF THE YEAR



MALKHAZ GULASHVILI:
THE PROJECT'S GOAL
HAS BEEN ACHIEVED.
THE GOAL OF THIS
PROJECT IS TO
DETERMINE THE MOST
SUCCESSFUL SECTORS
OF NATIONAL BUSINESS
AND SUPPORT A
DIALOGUE BETWEEN
BUSINESS,
GOVERNMENT AND
SOCIETY

Georgian Industrial Group and Anaklia Development Consortium wins at the 18th Georgian Times Georgian National Business Awards

On December 14 the Tbilisi Garden Hall hosted the joint Georgian Times Media Holding and Georgian Opinion Research Business International (GORBI) Georgian National Business Awards. During the ceremony a secret ballot was held of the leaders of the country's 30 most successful companies to identify the best of the best. As a result, Georgian Industrial Group took home the grand prize and Anaklia Development Consortium won the investment award.

SOCAR has been Golden Sponsor of this event for many years, and Zarapxana is the General Sponsor of the event and creator of the grand prize for investors – the “Meridian of Success”. All winning companies in all categories were awarded unique golden and silver lion and cross badges decorated with diamonds made for the event by Zarapxana's professional jewellers.

This awards ceremony has been held since 1995, following an initiative taken by Malkhaz Gulashvili,

President of The Georgian Times Media Holding, during a tough period of Georgia's history. A number of well-known businessmen have held its grand prize, including Mamuka Khazaradze, Temur Chkonia, Gogi Topadze and Levan Gachechiladze. Many of these attend and compete year on year. Gogi Topadze, Osman Turan, Ivane Chkhartishvili, Avtandil Tsereteli, Irakli Gilauri, Mahir Mammedov, David Zubitashvili, Soso Pkhakadze and others have also been features of the event in recent

years, alongside newer entrepreneurs and their enterprises.

The Georgian Times and GORBI National Business Awards have become an integral part of Georgian business history, reflecting its development from the toughest times until the present. It is businessmen who build the foundation for Georgia's success by creating new jobs, paying taxes to the state budget and promoting Georgia overseas, and the event has achieved its original goal of showcasing to the public the representatives of our country's business sector. Malkhaz Gulashvili has made it a great party for businessmen, at which they celebrate each other's success.

The awards ceremony opened with a performance by the Pantomime Theatre. Following the welcome speech by Editor-in-Chief of The Georgian Times Media Holding Nana Gagua, Pantomime Theatre actors brought the heroes of Shota Rustaveli's immortal poem “The Knight in the Panther's Skin” alive on the Garden Hall stage. The ceremony itself was refined, glamorous and exciting, once again held at the highest level. The event was hosted by journalist Sandro Vepkhvadze, and young businessman Guri Salukvadze and was attended by business and media representatives and members of the government, including Dimitri Kumsishvili, the First Vice-Prime-Minister and Minister of Economy and Sustainable Development, Mamuka Bakhtadze, the Minister of Finance, and Sozar Subari, the Minister of Inter-



Founder and President of The Georgian Times Media Holding, Malkhaz Gulashvili



Georgian Times publisher Nana Gagua



First Deputy Prime Minister, Minister of Economy, Dimitri Kumsishvili
Founder and President of The Georgian Times Media Holding, Malkhaz Gulashvili

nally Displaced Persons from the Occupied Territories, Accommodation and Refugees.

According to Malkhaz Gulashvili, President of The Georgian Times, the project's goal has been achieved. “The goal of this project is to determine the most successful sectors of national business and support a dialogue between business, government and society. This year, as is traditional, all the companies which contribute to the development of business and the national economy are here with us. I am particularly happy with today's event, which is the product of two months of round-the-clock toil by our great team, and I would like to express my gratitude to them. I also want to express my gratitude to Merab Pachulia, President of GORBI, and my spouse Nana Gagua, whose stage management has met all expectations. Every detail is important when organizing such an event.

It worth mentioning that people and businessmen who frequently avoid attending such ceremonies are here with us today. Representatives of the Georgian government are also attending. We have managed to promote business in the business sector itself and in the media, and also presented Georgia's economic strength to the diplomatic corps, which is of paramount importance. We have also showcased the government in a positive way, because we need to realise that the government is not always spoiling things. On the contrary, the government now supports business, the media and the diplomatic corps and is fostering the development of Georgian business.

As for the rules of the awards - as always, a jury of independent experts, heads of economic agencies, business journalists, consultancy companies, NGOs, foundations and public research services identified the



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best companies and businessmen. We give prizes in 14 different categories: protection of entrepreneurs' interests, public image, charity/philanthropy, effectiveness of advertising, creation of new jobs, stability of activities, corporate social responsibility, company growth/success, international recognition, public relations, effective marketing, financial transparency, attraction of investment, conducting innovative projects, professionalism of team, support for small and medium-sized businesses, continuous progress and adoption of new technology and quality guarantees.

Last year we established a new tradition, i.e. an award for new investment projects, in which the winner is again identified by a jury. We also give awards to partner companies, which are those which do not have one billion in turnover but want their activities to be recognised. I believe this event plays a significant role in the development of Georgian business, which began in the last century and will continue in this one".

Nana Gagua, Editor-in-Chief of The Georgian Times also spoke about the importance of the event:

"This is a very important event. The country's best companies are identified on the basis of strict criteria. I congratulate Georgian Industrial Group and Anaklia Development Consortium on their great and deserved success. I believe the awards bestowed upon them will give them a greater sense of responsibility, because it is great recognition to be named the best companies. In general, success in business belongs to the people and I am confident that these companies will be further encouraged to serve the people."

Members of the Georgian gov-



Guri Salukvadze, David Zubitashvili, Mahir Mammedov, Gogi Topadze, Avtandil Tsereteli, Osman Turan, Sandro Vepkhvadze

ernment concurred once again that the joint Georgian Times Media Holding and GORBI project is a great stimulus for Georgian businessmen.

Dimitri Kumsishvili, First Vice Prime-Minister of Georgia and Minister of Economy and Sustainable Development said: "First of all I would like to thank the organizers of this event, and particularly Mr. Malkhaz Gulashvili, who manages to preserve this good tradition year on year. This event is a very important for the encouragement of the private sector, which creates jobs and fosters the progress and success of the



Mamuka Bakhtadze, Minister of Finance, Dimitri Kumsishvili, First Deputy Prime Minister, Minister of Economy and Sozas Subari, Minister for IDPs, Accommodation and Refugees

country. Our economic growth depends on the activities of these people, and appreciation of their work is of paramount importance. It is welcome when members of the private sector appreciate each others' success. I thank everyone for their hard work and dedication."

Mamuka Bakhtadze, Minister of Finance, said: "I am happy to be here because this particular tradition has lasted for over two decades. Busi-

ness circles are expanding in Georgia, and every year we see new faces. The Georgian economy is created by Georgian businessmen, and these companies make a great contribution to the country's economic growth. That is why it is important to appreciate their efforts and achievements. Organizing an event where the activities of the businessmen are showcased and appreciated is of paramount importance. I am greatly honored to be a participant of such an important event and give special thanks to the organisers. I wish everyone success."

Sozar Subari, Minister of Minister of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees, said: "I remember the very first of these awards ceremonies quite well. It was held 18 years ago, and let me tell you that this event has been a witness to the modern history of Georgia, showing how different a country we had 18 years ago to the one we have now. This is the merit of those who have participated in this event through the years, the companies who have created Georgia's economy and jobs, paid taxes into the budget and laid the foundation for the future of Georgia. My special thanks go to all of them – Malkhaz Gulashvili, GORBI, Nana Gagua, and ev-

everyone who has laid the basis for such a great tradition of appreciating and rewarding businessmen."

Zurab Gelenidze, General Director of Grand Prize-winning company Georgian Industrial Group, said: "We were absolutely stunned to be awarded the Grand Prize. It is a matter of great happiness for us, and a stimulus to do even more - to boost employment growth, ensure economic prosperity and certainly develop our business. It is always pleasant when your work is recognised by the public, but at the same time this bestows a responsibility to become even better. Hence, we will do our utmost to be surprised by similar unexpected events and make people happier."

Merab Adeishvili, Director of Investment Award winner Anaklia Development Consortium, said: "Our victory indicates that the public trusts us, and that Anaklia project is their challenge as well as ours. Construction of Anaklia Port will begin on December 24, and the very first ship will arrive 3 years from now, when Georgia will have an absolutely different economic picture. Due to this project, the country will move to a completely different stage of its development. Special thanks go to the event organisers. Thank you for the award."



Sozar Subari, Minister for IDPs, Accommodation and Refugees, Founder and President of The Georgian Times Media Holding, Malkhaz Gulashvili and George Chogovadze, Head of Georgian National Tourism Administration

Georgian Industrial Group and Anaklia Development Consortium wins at the 18th Georgian Times Georgian National Business Awards



Mahir Mammedov, David Zubitashvili, SOCAR

I hope it continues.”

Maka Razmadze, Journalist: “I have been attending these awards since before I even remember, and would like to say that this amazing day is a definite stimulus, not only for businessmen but journalists too. I love it, and am always here. I hope it continues forever, and I hope this exemplary couple, Nana and Malkhaz, who I love very much, will have the ability and opportunity to organize this celebration many more times.”

Jamlet Khukhashvili, sports commentator, Co-Chairman of the World Congress of Georgian Jews: “I think we should appreciate those who deserve it. Organizations like The Georgian Times Media Holding present to the public the work done by companies operating in Georgia. Perhaps there are people who do not want to speak about their own success or charitable works due to modesty, but believe me we need to talk about them, because good deeds are followed by others, and such events increase the number of good people doing good deeds. This is a stimulus and motivation for others, especially when these events have such excellent organizers as Malkhaz Gulashvili and his spouse Nana Gagaa.

“My spouse, Eva Babalashvili, head of the World Congress of Georgian Jews, and I attend the event every year. We are granted the opportunity to present awards to the winners, and are happy to be able to participate in such great events.”

Bondo Mdzinarashvili, journalist: “Appreciating people’s work and activities is very important for the development of Georgia and its business sector and community. The Georgian Times Media Holding and GORBI are doing a great job by conducting an annual survey of experts and specialists and bestowing awards on the businessmen who contribute to the country’s development. I am always happy to join in this event, where I see the happy faces of people whose work has been appreciated. I would like to express my gratitude to the presidents of The Georgian Times Media Holding and GORBI.”



Nutsa Abramishvili

The awards ceremony was streamed by over 35 media sources, which were awarded special diplomas for their contribution to the promotion of Georgian Business. The journalists also bestow their own award, which this year went to **Schuch-**

mann Wines Georgia, whose General Director Nutsa Abramishvili told us: “It is an honor and responsibility to be named the journalists’ favorite, because they are professionals who report real stories. This was unexpected, and I do appreciate the

award. We have been participating in this event for five years, so this award is important for us. We will do our best to end each year with great success and continue to be worthy of nominations.”

A number of celebrities, including successful actors, singers, journalists and politicians, also attended the event. Many of these have been loyal attendees for many years.

Irakli Batiashvili: “Today’s event has a long history, and I am very proud of the fact that my friend Malkhaz Gulashvili, and The Georgian Times founded by him, laid a basis for such a nice, great initiative, which is very important and beneficial for both business and the coun-

try. Business needs stimulation in Georgia, so these kinds of events are of the utmost importance. These create a psychological atmosphere which is very important for the stimulation of business in our country.”

Lali Moroshkina, Le Garage Group: “The number of such events in Georgia has increased, which is undoubtedly exciting and welcome, but The Georgian Times and GORBI Awards will always be number one. When nobody else believed that business people could talk to each other without mentioning politics, The Georgian Times Media Holding made it happen. This is why I am happy that The Georgian Times has kept this tradition going up to the present, and



David Zubitashvili, Merab Adeishvili, Avtandil Tsereteli



Ambassador of the People’s Republic of China to Georgia Ji Yanchi



gian Times and GORBI, who have made this great tradition of the business awards an important event for businessmen and Georgian society at large.”

The Top 30 companies in Georgia were revealed as Aversi, Basis-Bank, GAA Holding, Gulf, GeoPlant/Gurieli, GeoProducts, Giuaani, Dugladze Wine Company, NCC, Carriage Building Holding, Wendy's, Zarapx-

ana, Caucasus Auto Import, Kula, MG, Mtkvari Energy, NeoGas, Nikora, New Time, Omega Group, Orbi Batumi, PSP, Saqnakhshiri, GIEC, Georgian Industrial Group, SOCAR Georgia Petroleum, SOCAR Georgia Gas, Georgian Beer Company Zedazeni, Schuchmann Wines Georgia, Hyundai Auto Georgia. The best investors were named as Anaklia Development Consortium, Dreamland

Oasis, Lisi Development, GeoSteel and Geopars. N Qiron+, Black Sea University, Archangel St. Michael Multiprofile Clinical Hospital and Le Garage Group were named as partner companies. Each were awarded special prizes.

The Event's supporters were: Tbilisi City Hall, the Ministry of Economy and Sustainable Development, Ministry of Agriculture, Min-



Sozar Subari, Malkhaz Gulashvili, Zurab Gelenidze, Nana Gagua, Levan Kalandadze, Merab Adeishvili

istry of Finance, Ministry of Regional Development and Infrastructure, Georgian Chamber of Commerce and Industry, International Chamber of Commerce Georgia and the Partnership Fund. **Media partners included:** GPB, Imedi TV, Iberia, TV Pirveli, Palitra News, Saperavi TV, Rugby TV, Obiektivi, Starvizia, Music Box, Fortuna, Avtoradio, Tbiliselebi, the Georgian Times, Georgia Today, Caucasus Business Week, Resonance, PrimeTime, Kartuli Sitkva, Svobodnaya Gruzia, Business Media, Forbes, Veria, Kartuli Azri, Geotimes.ge, Award.com.ge, Kvira.ge, Georgianpress.ge, For.ge, Liderinfo.ge, NewsDay.ge, Reportiori.ge, Economic.ge, Metronome.ge, Timer.ge and Fact2.ge. Nana Gagua, Editor-In-Chief of The Georgian Times Media Holding, personally thanked her media colleagues for making eventful reports of the ceremony.

The organizers bid farewell to the participants for another year with the hope of showcasing the accomplishments of Georgian companies again next year and once again identifying the best of the best.

Georgian Industrial Group Takes the Grand Prize



Georgian Industrial Group has won the Grand Prize in the 2017 Georgian Times and GORBI Georgian National Business Awards, the Bolnisi Cross. It was named as the best of the best by businessmen themselves during the award ceremony.

Its General Director, Zurab Gelenidze, says that the secret of its success is the round-the-clock toil of the 4,000 employed by the company.

Zurab Gelenidze, of Georgian Industrial Group:

This Grand Prize is very important for our group, but doubly so as we have been recognised by businessmen themselves, who know from their daily work who is doing well. It is very important for a business to be recognised as a trustworthy and reliable partner; as for the secret of our success, I believe, it is the round-the-clock-toil of our professional team of 4,000 staff members, who have the motivation and will to succeed.

Social responsibility and charity are integral parts of our business

Georgian Industrial Group has a pretty diverse profile. I often say that we bring warmth and light to every Georgian family. We are responsible for about 15-20% of Georgia's electricity generation annually. Consequently, we are very important to the national econ-

omy and facilitate Georgia's development and sustainability.

It is also very important that the business is expanding every day into new directions. Everything began with electricity generation, but then trading

was developed and we started selling electricity and natural gas in the region. We have a network of retail gas stations and we are the only coal mining entity in the country, and thus the biggest employer and most important social contributor in the

region of Tkibuli. We conduct corporate social responsibility programmes nationwide. We support numerous social and cultural events.

We finance and develop other directions as well; we have entered the financial markets in the

recent past and founded an insurance company. All this makes us a large and important player in the Georgian economy.

2017 in review

2017 was a year of strengthening and streamlining. Inter-

nal procedures and organisation structure have been improved. As I have already mentioned we entered the insurance market via the Global Benefits Group, which was established on the basis of our capital. New strategic projects have also been designed which will significantly contribute to the country's energy independence and security.

Saknakshiri, a GIG group member, was also amongst the Business Award winners in the large employer and attraction of investment categories. This continues to be a social project for the group, despite the tens of millions of dollars investment made in the technological re-tooling of coal mining.

Coal mining is now a purely social project for us. Our main target is satisfaction of existing market demands till 2020. When a coal-fired plant is put into operation coal mining activities will double. We invest 5-6 billion GEL year on year in Saknakshiri to develop production.

Currently, the extracted coal is being sold only on the local market. Heidelberg Cement is our main customer, accounting for 95% of sales. At the same time, we are trying to develop alternative markets and begin supplying ferroalloy manufacturing companies. We have already taken the first steps in semi-coke manufacturing for





this purpose. The doubling of coal mining activity in Tkibuli will contribute considerably to the development of that region.

Coal fired power plant

The coal-fired power plant is being built at a cost of 250 million through GIG's daughter company **Georgian International Energy Corporation**. This company also won awards at the 2017 business rating, in the large taxpayer, high tech operation and dynamic development categories. It is the largest multifunctional energy company in the country and owns and operates coal and natural gas fired plants. Its generation facilities have an overall capacity of 350 megawatts, to which 300 megawatts of coal-generated capacity will be added by 2020.

We are implementing this project with one of the China's largest corporations, Dongfang, which is one of the largest EPC solutions provider for power generation facilities in the world. The plant is being built in Gardabani municipality and will be operational by the fourth quarter of 2020. The plant will only consume coal extracted in Georgia. Pre-construction preparation works have been completed.

There may be questions about why we are building a coal-fired plant when the entire world is talking about renewable energy sources. Field experts are very well aware of the importance and high potential of non-renewable power plants. Coal is the only non-renewable energy source in Georgia, and can produce basis electricity regardless of climate conditions. Electricity generated from coal (gas is not sourced in Georgia) will ensure the energy independence and sustainability of the country.

We have already signed a power purchase agreement with government of Georgia, which regulates the price policy of the electricity generat-

ed from the coal-fired power plant. This electricity will be partially purchased by the state, with the rest sold on the free market in accordance with market conditions.

Mtkvari Energy is another company we own. It operates the Gardabani thermal power plant, which accounted for 9% of Georgia's energy generation in 2016. This is a gas fired power plant which operated in full compliance with contemporary ecological requirements. Mtkvari Energy also won prizes at the Georgian Times and GORBI business awards, in the high ecological standard, stability of activities and introduction of new technology in the energy sector categories.

Renewable energy is also a GIG focus

However we are also represented in the renewable energy sector. We own and operate 8 small-sized power plants. Works are underway on several hydro power station projects which will be added to our capacity in the near term. We are the first company to have installed wind power spec. measurers in Kareli. We are ready and waiting for the time when the implementation of these projects is economically effective.

As a progressive company,

we are trying to work in all directions regarding the planning and launching of new projects. We are operating in the business sector, and therefore we are always investigating the business cases for embracing new ideas: we will not hesitate to bring them to fruition whenever we have the chance.

Caring for the environment through eco-friendly fuel

CNG is another active direction of our business. Our **NeoGas** network of gas stations is yet another of our affiliates to be honoured at this years' business awards, for business reputation, effective management and customer choice. Ecology is a topical issue across the world. Neogas offers customers ecologically clean and economic fuel – compressed natural gas, which is less harmful to the environment than alternative fuels. We have also installed electric vehicle charging equipment at the renovated Neogas gas stations in Zestafoni and Argveta, where the owners of electric vehicles can charge them for free.

Neogas offers maximum convenience for its customers, as can be proved by the automated car wash services available at its gas stations, tyre

repair services and Porthos fast food facility, where customers may spend time and taste delicious dishes 24/7. Customers can also take advantage of the NeoCard, accumulate free kilometres and get a significant part of their spend back.

Neogas stations are equipped with the latest technologies and new mechanisms have been established in line with European standards and safety rules. We have also established green recreational areas at our plants. Neogas deems it a social responsibility to care for the environment, and calls upon customers to choose this brand and its products to contribute to the protection of the Mother Nature.

Government and business

The economic policy of the country has a big impact on the activities of our company and will continue to do so. The introduction of the Estonian tax model and profit taxation has uniquely impacted the business, and I believe allowed us to mobilize additional funds to facilitate reinvestment processes and raise the return on equity. The government supports the liberalization of energy market, and I think it will take even more effective steps for market liberalization, such as improving energy regula-

tions.

We very much like the "small government" policy which has been introduced. Less administrative pressure on business will yield positive results. We assess the ongoing changes as generally positive, and believe that the common economic policy which is being developed focuses on business.

David Bezhuashvili Educational Fund

One of the most important social projects within the group is the Davit Bezhuashvili Educational Fund, named after our founder, which supports numerous initiatives. A new Book Museum has been built in the city, which is the largest in the Caucasus in terms of scale and content. We have implemented this very significant project in association with the National Library. We are also involved in preserving the country's national and cultural heritage. We carry out exciting projects in partnership with the House of Arts, and this year more than half a million GEL has been spent on this direction. We cooperate with San Diego and Ilia Chavchavadze Universities in sponsoring engineering and the revival of fading professions. We do what is important for the development and

better future of the country. This is our vision and strategy, though we generally do not see the necessity of publicizing it.

On to 2018

In 2018 the business will grow further. It is difficult to talk about all the developments right away because there is always an aspect of confidentiality and commercial secrets in business; nevertheless, I assure you that we are having talks about concrete steps of organic and inorganic development.

What I can tell you is that the Georgian Industrial Group will be involved in the infrastructural projects announced by the authorities. We are impressed by the attitude of the state concerning infrastructure and will do our best to participate in these projects. A construction company in our group will cooperate with Italy's CMC, with which we have already signed a memorandum of understanding and reinstated our firm interest in and desire for cooperation. The parties have agreed to establish a joint venture in Georgia which will participate in large-scale infrastructure and energy projects, in particular, the construction of a high-speed motorway, railway infrastructure and major hydro power plants. CMC is entering the Georgian market for strategic partnership, which implies long-term cooperation.

The Group is also going to open an office in Uzbekistan and start trading with electric and natural resources. This office will do what we are doing in our immediate neighborhood on a small regional scale. This is a direction we are really good at. We cooperate with all neighbors and largest corporations in the region, and now want to shift the same model to the Middle East. This will provide a platform for the development of trading in all directions, and Uzbekistan, Turkmenistan and Kazakhstan are included in the plan.



Anaklia Development Consortium - Building a New Future for Georgia

Construction works of Anaklia Deep Sea Port started in December, 2017. Anaklia Port is a multimillion investment project being developed by Anaklia Development Consortium which is a Georgian-American joint venture. Recently the Georgian-American cooperation (TBC Holding, Conti International, SSA Marine) was joined by a large Chinese corporation ZPMC as one of the partners and investors.

This is the project of the century, and will create the largest transportation, logistics and financial hub in the region and shorten the route linking Asia to Europe. Anaklia port will receive its first cargo in 2020.

Awards - Anaklia Development Consortium and Levan Akhvediani - Strategic investment project, Creation of new jobs, Professional team

Here Merab Adeishvili, Adviser at Anaklia Development Consortium, and Publisher of Anaklia Magazine, talks about the importance of the project.

Due to its geographical location Georgia, or to be more precise, the South Caucasus corridor, could become one of the key transit corridors in the region. Not only is it a link to Central Asia, but it can also be used for shipments from Europe to Iran and back. But although Georgia provides a shortcut to a number of cities, using this route which is quite frequently expensive, and this is why Georgia's transit potential has shrunk over the years, with cargo being sent along competing corridors.

It should be noted that the competitiveness of the Georgian transit corridor does not depend solely on Georgia, as Azerbaijan's cargo capacity affects it to a considerable extent. A new port has been constructed in Azerbaijan, and in order to be able to service shipments from China, both countries' ferry and rail transportation potential is being enhanced. A new Azerbaijan-Iran railway route came into operation in 2016, as did TRACE-

CA, the rail link between the Gulf and Black Sea Basin countries.

But a seaport alone is not enough as far as Georgia, the key location of the corridor, is concerned. Motorways and railways will have to be upgraded to make the route more attractive. The Government is working on our rail lines which are being modernised. Whilst upgrading most of the motorways will take another 4 years, the upgraded railways and motorways and new deep-water port will make Georgia more competitive in terms of shipments.

An increase in container traffic is directly linked to macroeconomic figures. These indicate that a 1% growth in GDP generate a 3-4.5% increase in container shipments, because it is mainly consumer goods, which are dependent on purchasing power, which are shipped in containers. According to the IMF, the economic forecast for this region and the medium- and long-term prospects of the three South Caucasus states are all positive. The forecast is fairly promising: in 2021, the potential of the existing seaports will have been fulfilled, which demonstrates the necessity of building a new port, which will undoubtedly increase domestic competition in terms of container traffic.

However, significant part of the shipments imported via secondary routes will remain in Poti Seaport, since due to the specifics of the cargo, some of the owners will only send it to Poti. Therefore over time, with increasing container turn-



over, Poti will reach its capacity limits once again. The situation is different in Batumi, which will find it hard to preserve its market share as its prospects are connected with liquid cargo.

The ports will have to be classified based on the goods they handle: Batumi will handle liquid shipments; Poti, dry and liquid shipments; Anaklia, container and dry bulk; Kulevi, liquid shipments. However the capacity of the oil terminals in Batumi, Poti and Kulevi has only been around 40% exploited.

Comparative analysis of containers shipped per capita in South Caucasus, and in other regions with a similar economy, should be of interest. When set against the economic index of the South Caucasus, the number of containers handled per capita is small, due to inefficient infrastructure and high shipment and freight service costs. Therefore, the new infrastructure will have a pos-

itive effect on container turnover, which once again demonstrates the necessity of this project.

When developing a policy for attracting more cargo to Georgia, we suggest that the government looks at three main regions: the South Caucasus, as discussed above, the Central Asian market, including Afghanistan and China, and the Gulf States and India. Central Asian

Georgia's seaports. Even before then, though, the new transit corridor will begin operations. Cargo trains will embark from Constantinople (Romania), and then their contents will arrive in Georgia by sea and be shipped by rail into Azerbaijan. From the Iranian border, it will be taken by trucks to its final destination.

This South-West corridor runs from the Gulf/India to



container traffic to Georgian ports takes up only 3-4% of their actual capacity, and traffic from China a mere 0.001%. Appealing to Chinese and Central Asian container markets remains a strategic goal of Georgia.

The construction of a second large seaport in Kuryk, Kazakhstan, which will be completed in 2019, is also of great importance since after 2020 transit shipments from Kazakhstan will increase from 16 to 30 million tonnes. Construction of a mainline railway from Turkmenistan to Afghanistan is also nearing completion, and this will benefit Georgian transit to and from Afghanistan.

As for the third segment, after the Azerbaijan-Iran railway has opened a brand new market will be connected with

Iran, Azerbaijan, Georgia, the Black Sea and Europe route, with this journey taking a mere 15 days as opposed to 30-40 days by sea.

Forecasts of the key trends of the global economy make it clear that in the 21st century, the main financial, commercial and information flows will intersect at the US-Europe-Asia triangle. Today Asia-Europe turnover totals over 2 trillion USD, 200 billion of which is accounted for by transportation costs.

As an example, we cite trade trends between Asia-USA and 28 EU countries. In 2015, EU foreign trade (export-import) with major Asian countries looked like this: with China, 503.24 billion euros; India, 78.2 billion euros; South

Korea, 91.08 billion euros; Malaysia, 33.12 billion euros; Iraq, 16 billion euros; Kazakhstan, 23 billion euros; Uzbekistan, 1.7 billion euros and Turkmenistan, 1.8 billion euros. US-China turnover amounted to 600 billion USD in 2015, and that with Indonesia was 61 billion USD. These figures are 2-3 times higher than those of 2005, and nearly 7-8 times higher than those of 1995, which makes it clear that the aforesaid commercial triangle is a fact of life and that the TRACECA states are located along the Europe-Asia route.

The Anaklia project is also politically significant. The privatisation of the Batumi and Poti seaports in 2008 deprived Georgia of its most strategic port infrastructure. The Government no longer has any legal leverage with which to influence the development of Poti port. Needless to say, the state needs to be able to get involved in the development of at least one seaport as all the other Black Sea Basin states own at least one seaport or have construction rights there.

Georgia is also the only Black Sea country which does not have a deep water port. This is why the prospective port in Anaklia is being transferred to an investor with the right of construction, and then returned to the state on the expiration of the contract. This is in contrast to the situation in other ports, which are surrounded by cities, thus limiting their development potential. The location of Anaklia makes it possible to develop a port which has the possibility of further expansion.

Anaklia's proximity to Abkhazia is likely to have a positive impact on relations with the people of Abkhazia. Furthermore, Anaklia Port is likely to be extremely beneficial in terms of economic growth, for both Georgia and the entire region. Phase 1 involves a 540 million USD investment, which will eventually grow to 2.5 billion USD. The project promises thousands of new jobs and the creation and operation of about 1000 ha Special Economic Zone behind the port, also likely to provide jobs and attract investments.

One is not exaggerating when one says that the Anaklia project, and modernisation of the Georgian railway, are no less an infrastructural challenge than others which the states along our transit corridor are facing. But it is evident that global changes influence the distribution of shipments along transportation routes, so a safe and state-of-the art transit infrastructure is necessary.

SOCAR Georgia Gas - A Strategic Investment Which Is Paying off

SOCAR Georgia Gas is a significant driver of Georgia's economic development, which is increasingly positive. Georgia has now approached many European standards, and even surpassed many European countries in terms of absence of bureaucratic barriers, says Azer Mammadov, Director of SOCAR Georgia Gas.

SOCAR Georgia Gas has won four awards at this year's Georgian Times and GORBI Business Awards ceremony - for being large employer with high ecological standards, customer-centred management and a professional team. **Azer Mammadov** tells about the company's achievements and the experience of working in Georgia.

What kind of motivation does the investment climate of Georgia present?

We are working in all of the regions of Georgia, and we have met any obstacles at any level. We have good relations with local government bodies, they always listen to us and we conduct activities better together. There has been impressive growth in the number of gasified customers as well as our investment profile, and we have exceeded the commitments outlined in our contract - investment of \$250 million. The database of users has increased sevenfold, along with the sales of Azerbaijani gas.

Last year, 1 millionth customer joined Georgian gas network (coincidentally, being customer of SOCAR Georgia Gas). Increasing number of gas users will provide numerous benefits to urban as well as rural population, where wood use for heating purposes will substantially decrease.

Technological advancement is inevitable, and as quality is enhanced we keep pace with it. According to the formula for estimating percentages of gas users widely used globally, Georgia is ahead of many European countries. The current rate of gasification is almost 80% out of the total population, and this will increase in the coming years.

How do you address the competition from renewable energy products?

The expensive solar and wind projects will not be able to compete with gas within the



nearest 5-10 years. They are far from completely substituting it. Let's see what we focus on in future - our distribution company is looking at alternative directions. Everything depends on demand, but we will focus on what users need.

The cost of alternative energy projects is decreasing, and they are being encouraged in many countries, which has partly created this price drop. Hydropower can be included in this category, as 80% of energy is now generated safely from an ecological point of view. But we have big plans for the future; we are going to improve our organisational structure as we achieve further institutional growth. This is the requirement of the head office in Azerbaijan as well as the local regulator.

How do you cooperate with the regulators, and how are new rules affecting you? Are they advantageous, or are there gaps?

The company's desires match the obligations imposed by the regulator. The adoption of European rules will enhance the management of our distribution network. As in the majority of European countries, natural gas distribution is licensed and our activities are coordinated. We provide information on a monthly and quarterly basis. We have ongoing cooperation with the commission, taking notice of its corrections. We also argue, which

is a healthy mode of relationship as well as a realistic one.

The new tariff policy gives the correct signals required for the development of the market. The flexible mechanism of the market enables businesses to make proper calculations. It supports the creation of optimal business strategy. All this will be reflected in the budget next year.

How does a company with more than 2,500 employees and 600,000 subscribers deal with such a large team? How important are business awards for the management?

A friendly atmosphere is very important. We conduct a wide range of activities and 2-3 day field workshops, which are both pleasant and productive. The business part of these lasts 2-3 hours, then we conduct activities unrelated to our work. Traditionally we gather twice a year in Georgia, in Bakuriani, Kvareli, Borjomi and other places. Each such place is suitable for our gatherings. Internal communication is equally important in the company.

Do you meet people outside the company?

We meet one another at The Georgian Times Business Awards once a year. Representatives of different fields share experiences and introduce innovations. We see new faces, find out who the best companies are and are simulated to do more. This is a tradition we look forward to every year.



SOCAR Georgia Petroleum - Georgia Runs On It

SOCAR Georgia Petroleum is one of the country's major strategic investors. Its activities are not limited to its own ventures, it serves the country whenever and wherever needed.

High social responsibility is the foundation of SOCAR Georgia Petroleum's activities. This is why it is the business partner of The Georgian Times and a perennial winner at the Business Awards. This year it once again won the best employer prize, and added three other awards: fast-track growth and development, being a good business partner and of course social responsibility.

The Director of SOCAR Georgia Petroleum, **Levan Giorgadze**, positively assesses the company's 12 years of operations.

Here Levan Giorgadze tells us about SOCAR Georgia Petroleum's plans and vision of the country's development.

What do you think Georgian business needs?

Stability. We feel we have this now, and appreciate it. As a result we have been able to implement numerous interesting projects, and have further plans for the country, not just our business.

We are proud to see all the buildings we have constructed in various cities of Georgia, including the infrastructure of the SOCAR petrol station in Batumi, a unique building leased to McDonald's. This has received numerous architectural awards, and been included in a list of the world's top 10 buildings. Both local and international travellers have been impressed by it. We have also restored a unique building in Old Tbilisi, making the city even more attractive.

The concept of SOCAR facilities is not just functional purpose but architectural sophistication. We do not build them just for a day or a year. They are part of the country's development, and a statement about it. The scope of the business is even larger than the business itself, as we care for the environment in which we conduct our activities and for the people we work with.

SOCAR's projects are not widely known, why do you not publicise them more?

We do our business. We care for poor people. We help Catargi and aid almost all religious confessions. We finance our products. Charity is part of our business. We do talk about it, but we prefer to do more and talk less.

The same is true of our business plans. Everything will appear in its own time. We plan to make innovations in the network and in our services. We will focus on mo-



dermy and expand the functionality of our petrol stations.

Though business needs stability rather than taxes, revenue tax has been increased. What challenges do you face?

Revenue stamps have raised the prices on products, and this has affected demand, but our prices are realistic and therefore consumption stability will be maintained.

The Estonian model is a positive one, and has encouraged reinvestment and rapid development. A free business environment is the main foundation of it. Restriction of free trade in any sector is the biggest mistake a country can make. I am not talking about getting rid of all regulations: effective regulation is needed where the market fails to operate correctly. But excessive intervention is not justified - if the market is left alone, it will resolve all its own problems.

How would you assess the last 12 years?

We have seen uneven but clear progress. Georgia has emerged as the largest investment hub in the region. Lots of opportunities have emerged in

the private sector. We have much more to look forward to, but there is also still much to be done. Everything we want to see needs time and tireless work.

How do you see the country's future? You are the largest importer in Georgia, but where do you see export potential?

We are not the sort of country which can produce an abundance of low-quality products, so we should focus on fewer but high-quality products. We should develop premium segments like Switzerland has - Swiss chocolate and watches are expensive, but in highly demand. We should use niche segments to create a kind of fence around the country. The cheap producer's niche is not ours.

What do you discuss with other businessmen during The Georgian Times and GORBI Business Awards ceremony?

The business awards ceremony is an event where people can meet once a year and share all their ideas, not only about business but all matters of concern. Malkhaz Gulashvili manages to bring us all together each time. It is a sort of performance, where you can relax.



Zarapxana - Ancient Tradition For The Modern World



Jewelry is a kind of mirror of the past, telling us the story of the country's past prosperity. We would never perceive the merit of kings and ordinary mortals without jewelry. Georgia has left its mark on the world through the golden lion, which dates from the III millennium, and though technologies change with time the responsibilities of the jeweler only increase.

21st century jewelry should be innovative as well as traditional. Zarapxana has preserved the glorious traditions diligently for a hundred years. It is much more than just a business - it is a national trademark and an unconditional market leader.

As general sponsor of the Business Awards, Zarapxana is the creator of the investment grand prize, the Meridian of Success, and unique,

handmade and exclusive gold and silver lion and cross badges decorated with diamonds designed for the ceremony.

Here the company's CEO Ketevan Gognadze tells us about modern trends in jewelry.

You are the oldest extant company producing consistently fashionable and valuable jewelry. How have you preserved your competitive advantage?

Ours is the only jewelry plant in Georgia with a history spanning over a hundred years. Our traditions, design professionalism and ideal balance of modern technologies make Zarapxana the leader in the jewelry market. We try to preserve and strengthen the confidence we have gained in this respect.

What is the essence of Georgian jewellery traditions? How do you combine these with modern design?

The company has produced several important collections. We have revived the precious jewelry of ancient times, but each piece has its own history, whether it is a copy, replica or modern concept. Each collection retains its own relevance - one does not replace another.

As a rule, new collections are offered twice a year. Two more unique collections are now being processed, which will be a new word in the art of jewelry with the artistic taste and sophisticated style of Zarapxana.

Zarapxana is both trendy and conservative, appealing to all generations. What do young people choose, and what do you offer them from the collections?

Each year 10,000 customers, both Georgian and foreign, visit Zarapxana shops. It is difficult to categorise them, considering the diversity of our collections and services. However the majority of young people prefer geometrically shaped

jewelry, such as that in our joint collections with Avtandil Tskvitinidze and Design Group Rooms. We also have children's collections, which we first introduced in 2008. Jewels are desirable to all the younger generation.

How popular is the men's line - what sort of jewelry do they go for?

Men do not lag behind women in terms of visiting our shops. Georgian men have individual tastes and requirements, hence we offer them exclusive order services. They can restore any jewel or souvenir with the help of our designers.

How many customers do your limited lines have?

Zarapxana's products are avail-

able only in our own shops or via individual, exclusive and corporate services. The latter are one of the most important sales segments, as our designers can create distinguished and exclusive items for individual customers. We use our own raw materials or those provided by the client themselves. Customers consult the highly qualified, professional staff in our shops, and our customer numbers grow constantly.

What do The Georgian Times and GORBI Business Awards and public recognition mean to you?

Your evaluation is very important and pleasant for us. It is a great honor to be recognized as the best by your country, partners and community.



Geopars Utilizes Silk Road Opportunities

1.5 Billion USD Investment in Supsa Petrochemical Conglomerate



In 2021 1,5 Billion USD Petrochemical complex of Euro 6 emission standards, will start operation in Supsa. The conglomerate will process 5 million tonnes raw materials per annum, which will make Georgia oil and petrochemical exporting country at a global scale. The archeological, geological, geotechnical and topographic surveys have been completed successfully. The international companies Argus and Worley Parsons Group - Advisian are selected to provide market analysis, comprehensive feasibility study and environmental impact analysis for the project.

GEOPARS has been awarded for being a strategic investor of the country.

Awards - GEOPARS and Lasha Koridze - Attracting biggest Foreign Direct Investment, Eco-friendly Euro 6 emission standard production, Effective Management.

Here The Georgian Times interviews **Lasha Koridze**, CEO of GEOPARS.

How important is to win a GT Business Rating Award?

Certainly, it is encouraging to be selected for an award from among numerous companies. This rating is also trusted by the government, media and diplomatic corps, which makes our success even more important.

Can you expand on the company's future plans and strategies?

Construction of a 1.5 billion USD oil-petrochemical complex will start in Supsa in 2018. The Government of Georgia has already allocated 200 hectares of the land to the company under the terms of this investment. The complex will process 100,000 barrels of crude oil per day, that is, 5 mln tonnes per year. There was an oil refinery in Georgia during Soviet times, but we have never had a petrochemical production facility. This project will have a huge effect on our country, which is why the Government of Georgia announced its full support of it in 2016. We believe that in the near future Geor-

gia may become an exporter of oil and petrochemical products. Several factors indicate that the project will be a success, and these include the geographical location of the country and the attractiveness of the Silk Road project, which will offer the shortest Eurasian energy supply route. Currently Georgia under-utilises these opportunities, and we hope to make our contribution to maximising their benefits for our country.

Will the complex be able to mobilise enough resources, and will it have a diversified supply?

Georgia consumes 1.2 mln tonnes of oil products per year, so the complex will meet 100% of Georgia's needs, leaving the rest of the production to be exported. For this reason we remain open to new investment offers from other countries, and are conducting negotiations with several international funds which have shown an interest in this opportunity.

Naturally we are working on building a diverse supplier list. To this end we are working with the ARGUS Company, which will explore all available sources of raw materials, make corresponding economic calculations and offer substantiated proposals.

We are negotiating with Turkmenistan, which is one of the major oil extraction countries and has 4mln tonnes of free reserves, and a major oil field is due to open in Kazakhstan, from where additional resources can be obtained. This project should also be attractive for Azerbaijan. We are creating an energy hub of regional importance.

What economic benefits will Georgia gain from this project?

Such projects bring financial stability and safety. We plan to involve major international companies, such as Trafigura, PetroChina, Turkmen Petroleum, ENOC, Exxon Mobile, Gunvor and others at various phases, and this will send a message to investors about the attractiveness of Georgia's investment environment. These companies shape the global oil

market, and twenty years ago they would not have contemplated investing in Georgia's oil sector.

Will the company produce top quality oil products, and if so, which?

The complex will manufacture EURO 6 standard fuels. We have examined the market, and due to the growing demand for petrochemicals we will be concentrating on this area. However, we will be able to produce all types of oil product, as this will be an oil-processing complex.

We know that coming global trends (such as the introduction of electric cars) will reduce the consumption of oil products. Consequently, our main emphasis will be on producing petrochemical products (so called household products) which will remain in demand. Our complex will create raw materials which are not manufactured locally and will give an additional stimulus to other businesses.

When will the construction work begin, and what stage is it currently at?

We plan to begin land preparation works by the end of summer 2018. We will have finished the first phase by 2021, and the whole project by the middle of 2022. At present we have finished the geological, topographical and archaeological analysis of the territory and have prepared the appropriate reports. The Worley Parsons Group - Advisian, won the tender to prepare a comprehensive feasibility study. Argus will conduct market research, and then an environmental impact report and a detailed project analysis will be prepared. Due to the scale and importance of this project we will remain open throughout for all investors and interested parties.

Part of the highway runs through the construction site, and the Ministry for Regional Development has provided all the necessary communications. We have had meetings with Georgian Railway, and agreed to lay 5.5 km of railroad from Supsa Station to the complex, enough to carry 5 mln tonnes of raw materials.

Is there any threat which could hinder or prevent project implementation?

I do not think so. The Government of Georgia is backing the project. In regional terms, this complex is economically profitable and necessary. Georgia has become an interesting country for making investments in, despite the geopolitical realities surrounding it. It is the safest country in the region, has liberal legislation and is free of corruption, and the attractiveness of its investment climate has been proven by recent Ease of Doing Business indicators.

GeoSteel LLC - One of the Largest Foreign Direct Industrial Investments in Georgia



GeoSteel, the first UK Cares and TSE accredited company in the Caucasus, has attracted one of the largest foreign direct investments in Georgian industry. It is a joint venture of JSW Steel Netherlands BV (which is entirely owned by Invest Georgia, India) and Georgian Steel Group Holding Ltd (GSGHL). It is equipped with groundbreaking technologies and is one of the largest manufacturers of thermodynamically processed construction steel in the country.

GeoSteel's durable products are used in the construction of multi-storey buildings, bridges and hydro power stations, not only in Georgia and the Caucasus but numerous countries worldwide. Its fully automated oxygen workshop, electric-arc furnace, bucket furnace, modern laboratory equipment and accurate control rolling appliances ensure perfect production quality.

GeoSteel offers an unconditional guarantee of durability. We build the Caucasus --- the management of GeoSteel says.

At the annual Georgian Times business awards GeoSteel and Mr. Jaspal Singh won Awards in the following categories: largest foreign investment, high quality products, professional team and sustainable partner.

Here its Director - Mr. Jaspal Singh tells us more about the company.

How important is it for your company to be named one of the best in Georgia?

It is an honour for us to be considered one of the best companies in Georgia.

GeoSteel LLC is the first UK Cares and TSE accredited company in the Caucasus Region. The GeoSteel Integrated Management System (GIMS)

incorporates the following standards: 1. For QMS: - ISO 9001:2008 - implemented since 2011. 2. For Environment: ISO 14001:2004 - implementation in progress 3. For Health & Safety: OHSAS 18001:2007 - implementation in progress. GeoSteel LLC received ISO 9001:2008 accreditation in May 2011 from LRQA Turkey.

Established in 2007, GeoSteel LLC is one of the largest foreign direct industrial investments in Georgia. It has been in business for over three decades, and is a trusted global corporation in the steel-making business.

GeoSteel LLC is the biggest steel plant in Georgia. Its production facility covers 13 hectares and has a capacity of 175,000 tonnes per year.

What is your view of the investment environment in Georgia? Are you satisfied with current government

policy towards business?

The investment environment in Georgia is definitely conducive for business, and the Government has always been extremely supportive of all our new endeavours and projects.

Which countries do you export to?

GeoSteel LLC meets the needs of the construction industry in Georgia, Azerbaijan and Turkey primarily.

GeoSteel LLC has developed the steel industry in Georgia and undertaken some very significant projects, such as the Hilton in Batumi, the Parliament Building in Kutaisi, the Gori Highway and the Batumi Business Centre.

What projects can we expect in the near future?

Our latest projects are: the Tbilisi Gardens Residential Building, the Hotel Biltmore in Tbilisi, Hotel King Davit in Tbilisi, etc.



Lisi Development - Green Development to Internationally-Recognized Standards



A safe and cozy environment in an ecologically clean part of the city, modern infrastructure and stunning views, all these are awaiting you in a new residential complex built by Lisi Development, Lisi Green Town.. It includes a swimming pool, gyms and children's playgrounds, open air cafes and restaurants, schools, kindergartens, an adventure park, jogging tracks and bike paths, and all the amenities you need for a cozy and comfortable life.

This is an 80/20 project, meaning that only 20% of the land area is used for construction works and the remaining 80% is green spaces and recreational areas. One of the main features of Lisi Development projects is their focus on free space and ecologically clean living conditions. At the 2017 Georgian Times and GORBI Georgian National Business Awards Lisi Development was named the best developer. Here The Georgian Times interviews **Nodar Adeishvili**, its General Director.

How important is it to be named the best developer at The Georgian Times and GORBI awards?

Winning one of these awards is a great honor and responsibility for us. Lisi Development is a frequentative winner of several International Real Estate Awards. In particular, we have won 10 nominations by International Property Awards starting from 2012 to 2017 in various categories. We also have been awarded by the East European Real Estate Forum & Project Awards as developers of the year and the project- "Lisi Green Town" gained two awards in categories:

Residential Complex of the Year and Residential Community of the Year.

What does your company offer prospective customers?

Lisi Development offers customers various types of residential units: apartments in 5 stored blocks, duplex type residential units with yards, townhouses (private houses) with yards and land plots for villas. At the end of 2017 we launched the project - "Lisi Green Tower", which is a premium-class 11 stored residential building comprised of 32 apartments. Each apartment has a terrace and a view over Tbilisi. The project was developed by well-known Dutch architectural company UN Studio, and is a further stage in our company's advancement.

Lisi Development has arrangements with TBC Bank. Under which terms can customers buy living space from your company?

We cooperate with all commercial banks, and offer the terms tailored to customers. A customer need pay only 10% of the total amount if they wish, with the remaining 90% financed by the bank. Clients are given loans without examination of their revenues, for a period of 10-15 years.

What is the company's strategy before commencing construction work? What do you look for, and what factors do you regard as most important at that time?

Planning is an essential part of all our projects. The general plan developed in the initial stages is not violated. This is a sort of guarantee for customers. They know exactly how the project will look like in the future.

We build in accordance with modern standards, on ecologically safe and clean living areas, using only modern and high quality, energy efficient construction materials. We are the very first development company in Georgia to focus on caring for and protecting the environment. For example, we are gathering rainwater in the Green City on Lisi in order to avoid wasting water which can be used for irrigation purposes. Our customer's economy on energy efficiency by 30%, a practice we have established as a construction standard.

Lisi Development is the first company to carry out such a wide-ranging project in Tbilisi. Do you plan to implement similar projects in other parts of Georgia?

If we look at Lisi Green Town, we can say that the successful projects and outstanding ethical approaches of Lisi Development have already destroyed the stereotypes in potential customers who deemed that their ideal residential houses could only exist in the central districts. This project showcases the fact that you can live better here at the lake - close to nature and European standards. This rule will be observed in our next project, which will be on the Black Sea coast. This will combine hotels, residential apartments, restaurants, cafes and different entertainment zones. The project will be distinguished by modern architecture, and we plan to invite the world's leading architects to take part in it. We are seeking to introduce new standards on the Black Sea coast.

Most importantly, we will observe our main rule - preserving and developing the green cover.

Dreamland Oasis Will Develop Tourism in Chakvi

It takes only 20 minutes from Batumi to reach the largest holiday complex on the Black Sea coast. Dreamland Oasis, a multifunctional recreational facility in Chakvi, combines hotels and residential apartments with all-inclusive services. Its distinctive style and services, premium class apartments, swimming pools, movie theatre, bowling centre, fitness centre, restaurants and diverse and tasteful synthesis of other entertainment facilities creates unusually attractive conditions for life and relaxation.

In 2017 the complex was nominated for three awards at the most reputable real estate competition - the Europe Property Awards - and was named the best international multifunctional and recreational complex. At the Georgian Times business awards it received prizes for large investment, best tourism infrastructure on the Black Sea and sophisticated style and services.

Here The Georgian Times interviews **Nikoloz Geguchadze**, the company's Managing Partner.

What does being listed amongst the best investors in Georgia in the Georgian Times awards mean for you?

Several years ago, we convinced European investors that a 100 room post-Soviet hotel in the economically inactive small town of Chakvi was a sustainable environment long-term investment. At that time, the tourist industry was concentrating on gambling and sunbathing, but we had different ideas and set out to prove the productivity and superiority of our vision. Our self-confidence helped us attract several thousand in capital (smile). That was the beginning - after that, the sustainability of our every step was thoroughly examined, and to date we have attracted 105 million in investment. Through strategic cooperation we have extended the areas in which our projects have an advantage. We believe we are managing our money in the right way, and are happy that your jury also appreciate our activities.

Dreamland Oasis is the first holiday complex in Georgia which provides all-inclusive services. Can you expand on the basic idea and superiority of your project?

Dreamland Oasis is a concept around which we will develop a cluster of tourism activities. Even this small town has many things to offer: a natural recreational environment, sea, mountains, fantastic nature. We have had to work to make different parts of the world hear our voice, but we have shown that we have some-



thing special here. When people travel a lot, moving from one place to another, they often lose the opportunity to relax. We want to give everyone the opportunity to find a dreamland of relaxation here.

Different customers have different emotional needs, and will gain different things from Dreamland Oasis. Our main competitive advantage - that we provide all you need for life and leisure in one place - is not replicated either in Georgia or anywhere on the Black Sea coast. The complex is still under construction, so its emotional potential is not yet fully realised, but our guests see something new and better here year after year.

Customers visit the complex as guests, who want high standard holidays, as investors, who want to purchase apartments here, or business owners, who want to purchase and manage real estate in a sort of mini town, either renting or receiving rental incomes, with our support or independently. However each customer has full access to all our services - food, rest, the wide variety of our entertainment infrastructure and 120,000 sq. m of the best coastline on the Black Sea, of which only 17% is occupied. This entire area is green - parks, recreational zones. I can confidently say that the landscape here is unique - the complex is bordered by the sea on one side and a hundred years old eucalyptus forest on the other. Holidays here are affordable, but owning an apartment and living in the complex are luxuries, with all the attributes you would expect.

How favourable is Georgia's investment environment for the implementation of such large-scale development projects?

This depends greatly on how the country is positioned in the international business environment. We have a stable but not impressive situation here at present. I think the

majority of development businesses in Georgia are constructors who do not have social responsibility. The increase in negative attitudes towards this sector reflects this. Georgian real estate could be more worthy, and of higher value, than it is now - there is quite a competitive climate here, a good environment, cultural layers and a good geopolitical background. It is no longer enough to build a good house and a beautifully arranged yard, it is time to integrate creative components.

Dreamland Oasis LLC owns land across the country. What other plans do you have?

The Dreamland Oasis lifestyle is being created here. We know what the lifestyle inside the complex will look like, and it will consist of full comfort and mental and physical relaxation. We have been consistent in our understanding of comfort, and have added the necessary facilities year on year to create the relevant products and services. Our goal was not to build comfortable houses and make good cocktails, but to change the value of lifestyles and respond to the greatest desires of customers - #DreamHome, #DreamEvent, #DreamVocation, #DreamBody...

The complex will be fully completed in three years. When we talk about a tourism cluster, we do not mean just apart-hotels and hotels. What has been, and is, being done here will create a much broader hub of attractions in this small town.

Our initial mission has been accomplished, as tourist flows and investor interest have increased. But we plan to expand Dreamland Oasis as a brand, and its borders will not be restricted to Chakvi. Now our partners believe in us much more we are ready to undertake more ambitious projects in the near term.

Omega Group - Local Success and Global Vision



Omega Group is a multi-faceted corporation in Georgia distinguished by its high quality production and technologies and world-class customer service. It is no stranger to the Georgian Times and GORBI Business Awards, having been named top investor last year.

This year Omega Group won awards for stability of activities, effective management, creation of new jobs, and conducting global projects. Here The Georgian Times interviews the company's founder, **Zaza Okuashvili**, concerning its future plans.

What is the secret of Omega's success?

I no longer have day to day managerial responsibilities within Omega, but as its founder and owner I believe there are three principal reasons for our success: the experience we have built up over many years, the quality of our products and the high standards we set, and our commitment to providing the best for our customers.

How do you manage your competition?

You cannot "manage" the competition. After all, your competitors are trying to achieve the same things you are. In the end, it is customers who decide what they prefer and what they think is best.

How many people are employed by Omega?

When I founded it there were just a handful of people. Now there are over 1,000.

What is your investment portfolio like?

Our approach to investment is always to explore new possibilities. For example, over the last 12 months Omega has been developing a new retail street behind Omega Motors. Omega Motors themselves have brought Bentley and Maserati to Georgia, and they will soon be joined by General Motors vehicles.

Omega Group is the official importer of BMW cars for Georgia. Is the Georgian automobile market growing?

Yes it is. Growth is obviously subject to economic fluctuations, but the Georgian economy will develop further. The consumer base is growing, and within the automobile sector the number of customers demanding quality products is also growing.

What challenges do you currently face?

As always, the challenge lies in looking for ways not just to consolidate but to expand our business, in collaboration with new partners. Omega is looking forward to bringing the large British company, Unipart, to Georgia this year. More and more drivers will benefit from having Unipart parts in their cars.

Demand for hybrid cars increases day by day. Is BMW offering any innovations from that point of view, and is Omega Group in general interested in hybrid cars?

This is a developing field, and Omega naturally wishes to be in a position to satisfy demand. We have already sold a number of BMW hybrid cars, specifically the BMW 7.

Tobacco is another field in which Omega Group operates. It is known that multinational companies enjoy certain privileges on this sector, and local manufacturers often complain about them dumping their products on the local market. Why do you think the government has not adopted an anti-dumping law?

I cannot speak for the government, but it is clear that dumping damages business, and therefore the country. A multinational company which offers artificially low prices, in other words, those which are below cost price, has two strategic aims: to drive out domestic competition and then massively raise prices for the consumer. Domestic manufacturers are not asking for protection, because that also damages the economy over time. But they are asking for protection from dumping, so that they can operate on a level playing field of fair competition. I encourage the government to implement the relevant World Trade Organisation rules and also the obligations the country has signed up to under the EU/Georgia Association Agreement.

In 2017 Parliament adopted a new tobacco law. Are these regulations threatening to kill national production?

Regulations relating to health warnings are perfectly understandable. If they are implemented fairly, applying equally to all, that will not kill domestic production. Unfair competition, such as we see with dumping and other market-distorting practices, is the real threat to domestic production - and with that, consumer choice and thousands of jobs.

Is the country's business environment free?

Not just Georgia but any country can have a free business environment if it is free of market-distorting practices. But in order for our economy to be free it has to allow for - and ensure - fair competition.

What do the awards you won at this year's event mean to you, and are such awards a stimulus for business?

The Georgian Times and GORBI awards mean a great deal to me. But more important is what they mean to everyone working at Omega - and, in turn, to our customers. The awards reinforce the fact that we are what we already strongly believed we were: a successful domestic group with a global outlook, operating to the highest international standards. So, yes, the awards are a very valuable and serious stimulus to us, and in turn to the Georgian economy.



Georgian Carriage Building Holding - A Great History and Great Future

The Georgian Carriage Building Holding, which incorporates the Carriage Building Company, Electric Carriage Building Plant and Rustavi Metallurgical Plant, was established nine years ago but has a much longer pedigree. This year its oldest component, the Electric Carriage Building Plant, is celebrating its 135th anniversary.

The holding manufactures not only wagons but cast and wrought iron parts which are used for railway construction and repair in a variety of countries. It has won many awards, including several Georgian Times and GORBI Georgian National Business Awards. This year it has won prizes in the categories of charity and philanthropy, growth and innovation, stability of activities and reliable partner. Here The Georgian Times talks to company shareholder **Badri Tsilosani**.

After your century-old history of success what does winning four Georgian Times and GORBI awards this year mean for you?

Being named as one of the best companies operating on the Georgian market is certainly a matter of great pride for the holding and its affiliates. It is a great stimulus for us when we are actively engaged in business and focusing on continuous development and innovations. It demonstrates that the path we have been following for years is the right one.

We are really proud that we have become a well-known and successful company not only in our country but the whole region. We increase our



production volumes and staff numbers continuously. The growth we have achieved in recent years, makes us believe that our company has a real future and great prospects for development.

What lies behind your success?

All our working processes are conducted using modern technologies and innovative methods. Our company has long been attractive for foreign investors because our operations are fully in line with international standards and modern requirements. Both orders and sales are increasing thanks to effective management and well-thought-out marketing. Our staff have the competence and skills to produce high quality goods. These are the advantages of the Georgian Carriage Building Holding, and we are extremely happy to have been rewarded accordingly.

Do you plan to make new investments, and what

is your short-term focus?

The Georgian Carriage Building Holding is in a continuous development mode. At present we have licenses to produce oil transport stock, semi-wagons, wheat carriers, flat wagons, containerised wagons and closed-type wagons, but we are now acquiring a license to produce new generation heavy tonnage vehicles (with the capacity of 25 ton-pressure on the axis). This process will be finalised in the near term. We also plan to expand the range of cast iron parts we are licensed to produce, adding the four most expensive types to our existing 27. We also intend to manufacture narrow railway wheels for railway for Europe, Turkey and Iran and vertical parking areas for cars.

What are these expensive products you are going to acquire licenses for?

We are going to acquire an international license for producing large and medium-sized cast parts for truck wagons, which will be an unprecedented achievement for a company in a country like Georgia. These products are in short supply even in countries which make them, like Russia and Ukraine, which have to import additional ones from China and India. By acquiring this license we will be able to reduce the costs of carriage building and repair works, which will increase the competitiveness of our company at international level.

Who are the company's current clients, and what steps should be taken to help the company become an active player in the region?

The Georgian Carriage Building Holding is working with Kazakh companies on important joint projects. Our company always has been, and remains, very attractive for post-Soviet countries; it is important for us to maintain our product quality to retain interest from this region.



Orbi Makes Real Estate Even More Real



Orbi Group is a construction company responsible for the first apart hotels in Georgia. It has premium class complexes in Batumi and Bakuriani.

Quality, short construction times, the right strategy, effective management, highly qualified personnel and meeting customer demand to the fullest extent - these are the distinguishing features of Orbi Group, which have generated its enviable record of not having any dissatisfied clients.

Its founders say that Orbi Group is the most reliable and competitive company in its field due to the worth of the people who work in it. They know and appreciate each staff member, and in turn they constantly try and improve the quality of both their buildings and services.

At The Georgian Times and GORBI Georgian National Business Awards for 2017 Orbi won awards for winning a real estate Oscar, gaining worldwide recognition, protecting entrepreneurs' interests and attracting investment. Here its Director **Irakli Kverghelidze** tells us how the company has achieved such good results and what it plans for the future.

What projects are currently in progress and how many have you already completed?

We have completed dozens of projects. The key location where we have implemented large-scale projects and begun another is Batumi. However, we have also carried out successful projects in Bakuriani, and are now

beginning construction work in Tbilisi. Quality is our top priority, and this means we can include many more innovations in these projects which will make them even more comfortable for our customers.

The latest grand Orbi Group project in Batumi is the Twin Tower international standard hotel complex, which combines two 45 floor blocks offering 4,500 rooms. This is the sixth largest hotel in the world in terms of number of rooms, and has an investment value of 120 million USD.

Construction began a year ago and will be completed by the end of 2018. 150,000 people are employed in the construction process and 3,000 local residents will be employed in the complex after it opens.

This project won a Real Estate Oscar for Orbi Group in 2016 in the World's Best Investment Category.

What kind of special offers have you made available and how much interest have these attracted?

Twin Tower will be a multifunctional complex including restaurants, cafes, trade and entertainment centres, open and closed swimming pools, open and closed terraces, fitness and wellness centres, medical facilities, a spa-saloon, well-furnished grounds, a children playground, conference halls and parking lots. When purchasing real estate, the two key factors to consider are how stable an income you can obtain from renting out the property and how much its value will in-

crease after purchase. The annual income from renting out one of our standard apartments is around 6 to 7,000 USD, and they will have appreciated in value by at least 100% by the time they are completed. That is why interest in this and our other projects is already high and also growing on a daily basis, not only in Georgia but beyond its borders.

Why are immigrants and emigrants interested in purchasing real estate in Georgia and what special offers do you have for them?

Orbi Group has a very flexible and simple property purchase system. We offer customers a wide choice of apartments, from 24 sq. metres to 78 sq. metres. These are all equipped with home appliances and furniture. You can register these apartments as private property with full title and live there, spend holidays there or lease them via the Orbi Group Management Company. As the price of these expensive properties doubles after completion they also represent a good opportunity to create and enjoy a pretty attractive and stable source of income. Orbi Group rents the apartments if asked, and their owner monitors the whole process online. The owner can recoup the amount paid for the apartment in rental income within four years.

How would you assess your activities in 2017, and what are your expectations for 2018?

2017 was particularly successful for us. The Twin Tower is the most ambitious project ever seen in the Caucasus region. Our intensive work on this acts as a stimulus for us to continue developing next year.

What does it mean for you to win Georgian Times and GORBI business awards?

It is always a stimulus when prestigious organisations such as The Georgian Times Media Holding and Georgian Opinion Research Business International acknowledge your achievements. It is particularly pleasant when you are recognised in your own country, by the companies which create the business climate in Georgia and beyond its borders.

I hope the Business Awards become even wider ranging and attract higher interest. Business really needs the encouragement of similar projects!

New Time - Green Construction in Batumi



Construction is one of the growing sectors of the Georgian economy, but people often feel there is a lack of recreational amenities and green areas in Georgia's new buildings. New Time is filling that gap by offering high standard green construction works in the recreational areas of Batumi, from which you can readily access the beach and enjoy beautiful views of the mountains.

New Time has clients all over the world, a measure of its success. It employs over 150 highly qualified staff, and this number will only grow in the future. Last year was busy, interesting, productive and successful, because wide-ranging projects were initiated. The company expects 2018 to be even busier and more innovative.

New Time has been operating since 2014, its first project being an 11 floor block of flats. Georgian customers are used to delayed completions, but the management of New Time has not broken any promises and takes pride in completing works ahead of schedule. That is why apartment owners have expressed their continuing gratitude to the company.

At the 2017 Georgian Times and GORBI Business Awards New Time won prizes for attraction of investments, undertaking innovative projects and having a professional team. Here **Malkhaz Beridze**, its Director, tells us about the company's success and future plans.

What projects is New Time engaged in currently?

We are building our second hotel-type residential complex. This apart-hotel is situated in a new boulevard, and offers stunning seascapes and mountain views. Another project we have already begun, for which construction works will begin in May, is a five-storey apart-hotel at the Goderdzi all year round ski resort. Our company's goal is to care for our customers and provide them with the best living conditions.

You basically operate in Adjara, why there?

New Time is actively participating in the reconstruction of Adjara because the region has great potential. It has the capacity to attract numerous tourists and make Georgia an advanced country in the field of econo-

mys and tourism.

What kind of competition do you have?

As Adjara has this great economic potential in tourism and construction it is attractive for investors. New Time is not afraid of competition, as we can offer a track record of successful existing projects and a number of ambitious future plans.

So what is New Time's advantage over its competitors?

Our main advantage is the provision of customer-oriented services. We have our own specificity and vision, which have stood the test of time. We use modern technologies and never economise at the expense of quality of infrastructure. We also adapt our projects to geographical location and climate conditions.

What level of sales and customer interest do you have?

New Time's first large-scale project, the 11-storey block of flats, is now 100% occupied. The apart-hotel, which is even larger and includes a swimming pool, fitness centre, reception, restaurant, shops, parking, green yards and a children's playground, has proved popular with foreign tourists and 80% of the apartments are already sold. We also expect to expand to other regions and achieve the same success.

Why are so many emigrants and foreigners inter-

ested in property in Georgia, and what kind of proposals can you offer them?

Both locals and foreigners are interested in real estate in this region. Our market is very attractive for them. Apartments are affordable, and the banking system is also simple. You can register ownership of an apartment in just a day at the Public Service Hall. The country's development progress and the wider region's potential and resources are encouraging foreign tourists to invest here.

How would you describe the business environment in the region? What are the challenges business and the economy face?

There is a long way to go before we achieve a successful business environment in this country, but we are gradually developing one, with great support from the state. Strong institutions, a stable legal framework and, perhaps most importantly, a firm culture and tradition of business operation are of the utmost importance. The development of Georgia's business environment has been characterised by passing trends, but this is basically due to legislative reforms (taxes, customs, licenses and permits etc.) needing to be adopted as we go along. It is worth mentioning that the improvement/simplification of the procedural parts of business legislation and increasing awareness of these are also very important.

What does it mean for you to win these awards?

New Time would like to thank the Georgian Times and GORBI experts and those who nominated us. Our company's priority and goal is to be distinguished by groundbreaking projects, investment attraction and a professional team, so these awards confirm we are on the right path.

How stimulating are such awards for business?

We welcome and support all such events, because we believe they facilitate the promotion of small and medium-sized businesses. They are a guarantee and stimulus for businessmen, which encourage them to conduct even more successful projects.





“WE DO WHAT WE KNOW”

XVIII National Business Awards Investment Awards The Winners of Various Prizes

MAIN AWARD

- 1. Aversi - Paata Kurtanidze**
Public image
Customer choice
Creation of new jobs
Effective marketing
- 2. BasisBank - David Tsaava**
Large capital base
Dynamic growth and development
Professional team
Business reputation
- 3. Caucasus Auto Import - Giorgi Surguladze**
Creating highly paid jobs
Market leader
Dynamic growth
Innovative products
- 4. Dugladze Wine Company - Zaal Dugladze**
Large export markets
Quality Georgian product
Impressive reputation
- 5. GAA Holding - Gia Alikhanashvili**
Public image
Effective management
Ongoing success
- 6. Georgian Carriage Building Holding - Badri Tsilosani**
Charity and philanthropy
Growth and innovation
Stability of activities
Reliable partner
- 7. Georgian Beer Company - Zedazeni - Kakhaber Kotrikadze**
Continuously updated technologies
Customer choice
Social responsibility
Introducing new products and ongoing innovation
- 8. Georgian Industrial Group - Zurab Gelenidze**
Security and reliability
Protection of quality standards
Large taxpayer
Social responsibility
- 9. GIEC - Malkhaz Iashevili**
Large taxpayer
High tech operation
Dynamic development
- 10. Georgian Products - David Bardavelidze**
Creation of new jobs
Modern management
Attracting exports

- 11. Geoplant - Mikheil Chkuaseli**
Eco-friendly, innovative products
Customer choice
International recognition
- 12. Giuaani - Giorgi Surguladze**
Best Georgian brand
Ecological standards
International recognition
- 13. Gulf - Giorgi Devadze**
Symbol of success in the field
European quality
Stability of activities
Effective marketing
- 14. Hyundai Auto Georgia - David Giorgobiani**
Highly demanded and saleable brand
Creative marketing
Effective marketing
- 15. Kula - Ivane Goglidze**
Reaching new export markets
High ecological standards
Creation of new jobs
- 16. MG - Zurab Kiknadze**
Professional team
Reliable partner
Quality guarantee
- 17. Mtkvari Energy - Malkhaz Iashevili**
High ecological standard
Stability of activities
Introduction of new technology in energy sector
- 18. NCC - Gegi Kelbakiani**
Caregiver of Tbilisi
New infrastructural projects
Innovative and complex architectural solutions
- 19. NeoGas - Zurab Gozalishvili**
Business reputation
Effective management
Customer choice
- 20. New Time - Malkhaz Beridze**
Attraction of investments
Innovative projects
Professional team
- 21. Nikora Supermarket - David Urushadze**
National production
Largest network in Georgia
Creation of new jobs

- 22. Omega Group - Zaza Okuashvili**
Stability of activities
Effective management
Creation of new jobs
Global projects
- 23. Orbi Batumi - Irakli Kverghelidze**
Achieving real estate Oscar
Worldwide recognition
Protection of entrepreneurs' interests
Attraction of investment
- 24. PSP - Gocha Gogilashvili**
Oscar winning Georgian brand
Social responsibility
Customer choice
Effective marketing
- 25. Saqnakhshiri GIG - Jambul Jakeli**
Large employer
Attraction of investment
- 26. Schuchmann Wines Georgia - Nutsa Abramishvili**
Best Georgian brand abroad
Development of traditional field
New export market leader
National trademark - quality mark
- 27. SOCAR Georgia Gas - Azer Mammadov**
Large employer
High ecological standards
Customer-centred management
Professional team
- 28. SOCAR Georgia Petroleum - Ievan Giorgadze**
Fast-track growth and development
Social responsibility
Business partner
Best employer
- 29. Wendy's - Kote Karsilidi**
Quality guarantee
National production
High ecological standards
- 30. Zarapxana - Ketevan Gognadze**
Innovations and exclusive style
National trademark
Market leader
Reliable partner

INVESTORS

- 31. Anaklia Development Consortium - Levan Akhvlediani**
Strategic investment project
Creation of new jobs
Professional team
- 32. Dreamland Oasis Chakvi - Nikoloz Geguchadze**
Large investment
Best tourist infrastructure at Black Sea
Sophisticated style and services
- 33. Geopars - Lasha Koridze**
Attracting largest foreign direct investment
Eco-friendly Euro 6 emission standard production
Effective management
- 34. GeoSteel - Jaspal Sing**
Large foreign direct investment
High quality products
Professional team
Sustainable partner
- 35. Lisi Development - Nodar Adeishvili**
High ecological standards
Innovative concept
Customer choice
Comfort guarantee

PARTNERS

- 36. Archangel St. Michael Multiprofile Clinical Hospital - Zurab Utiaishvili**
Full range of medical services
Largest taxpayer in its field
Best continuation of traditions
Ground-breaking technologies
- 37. Black Sea University - Ilyas Ciloglu**
Innovative educational standards
Qualified staff
Student choice
- 38. Le Garage Group - Lali Moroshkina**
From journalism to politics,
from politics to business
Regional lobbying for business
- 39. N Qiron + - Nana Bukhrashvili**
Professional team
High technological standards
Operational management
Stability of activities



The Georgian Times



XVIII BUSINESS RATING



SPECIAL EDITION



The Georgian Times



XVIII BUSINESS RATING



SPECIAL EDITION

Wendy's Brings the American Dream to Georgia

Style, flavor, quality, and ambiance - all you need to feel like in an American restaurant and enjoy a taste of Ohio. Wendy's has the ambition to become and sustain the status of the most popular restaurant in Georgia for many years to come.



Wendy's is also eco-conscious. Soon NO GMO signs will appear in all of its restaurants. The company's policy not to use GMO products has won it many friends, and both Georgian Times readers and the majority of Georgian Times and GORBI Business Awards participants have recognized this approach by awarding Wendy's for its quality guarantee and high ecological standards.

Wendy's also promotes localized production, and for this it won a third award at this year's ceremony. Wendy's CEO **Kote Karsilidi** talks about being a part of an international company.

How did you start localization process?

Being a franchise of an international network combining 7,000 restaurants is a very sensitive subject. Quality must be the same everywhere. But the idea to localize our production was born the moment the brand entered the market; we worked on this issue for 4 years alongside with the American partners.

Through the patronage of Marshe and Tolia, our local producers successfully completed all the required stages of certification. The production line has also been equipped with the appropriate technologies to bring it into coordination with the American li-

cense's multilateral conditions. As a result we have created a delicious, high quality mix.

How do you combine Georgian made bread, Georgian made meat and other ingredients in your burgers?

We started with locally-produced chicken products in 2016 in partnership with Marshe, which works with several local producers. After that Georgian made buns hit the stores. We are at that stage where bun production will switch to automation process as human force is not able to handle the demand.

Wendy's uses only Georgian made daily fresh meat in its products.

What about deserts?

Tolia's ice-cream is made according to Wendy's unique recipe. The only frozen product in our restaurant is ice-

cream. Wendy's refuses to use all other kind of frozen products. This is the reason why we are competitive at the market, and what distinguishes us from other QSR. Our food preparation process requires time as it is made to order, no product is prepared beforehand.

The Georgian Wendy's is included in the short list of 10 restaurants, out of all 7,000 in Wendy's Corporation, for its high quality standards. Majority of the restaurants from the list 10 are in United States and 2 are in Asia. We possess the international DAVE'S WAY certificate for food safety and quality management. It is the highest available award in the system. We passed 240 evaluation tasks and scored 90%.

How happy is your staff?
This would be reflected in the service delivered to the customer.

Since the opening day Wendy's staff working schedule has been 5 working days and 40 working hours per week, with a 1 hour break and decent remuneration. We need rested and satisfied staff, which will create a pleasant atmosphere for customers.

Do you plan to expand your network?

Yes we do. We are going to add three restaurants in Tbilisi and in Kutaisi for spring. This year two restaurants will be opened on the motorway, as part of the 3 million USD investments Wissol Group is making at the Terjola multi-functional area, where we will be alongside Wissol Petrol Station, Smart Supermarket and Dunkin Donuts. We are proud of being members of the same team; we strengthen each other and create mutually beneficial business climate.

Two mini towns will be built, in partnership with SOCAR, on this stretch of motorway. This creates further opportunities for us.



Zedazeni, Georgia's Beer

Zedazeni is the brand name used by the Georgian Beer Company, which takes pride in the fact that it was established through Georgian investment and uses unique local water and the highest quality local raw materials. The brand has been available since 2012 and remains the market leader.



At the 2017 Georgian Times and GORBI Georgian National Business Awards the Georgian Beer Company won awards for continuously updated technologies, customer choice, social responsibility and introducing new products and ongoing innovation. Here its director **Kakhaber Kotrikadze** tells us about its formula for success and future plans.

What has made Zedazeni successful in the face of high competition in the beverages market?

We believe quality and trust is the basis of our success. Since the day we were founded the company has been committed to creating high quality products. Our benchmark is European quality, and we place high value on introducing European standards to the production process. This is less profitable in the short term, but highly advantageous in terms of winning customer trust and ensuring loyal clients and a strong brand image in the longer term. Perhaps our trump card is having such an awareness.

How many products are included in your portfolio?

At the moment we manufacture beer, lemonade, cola, cold tea, energy drinks and natural juices. We offer all kinds of drinks except high calorie drinks and water.

What are the current challenges in this sector? What positive effects might the new regulations on marking beverages have?

The marking of non-alcoholic beverages has both positive and negative sides. The positive is that beverage producer companies now have to act in a regulated way. Falsification has been reduced. This is what we really need in Georgia. If "Made in Georgia" does not mean high quality Georgia has no future, because we are a small country with low production and a small market. We do not have the luxury to indulge in poor quality production. Steps taken by the state to serve this end are welcome. But the regulations contain certain threats: government control of the sector is a big discomfort, and may generate marking costs which will raise prices because they will be passed on to the consumers.

How can we address these problems in this transitional stage?

If the costs of meeting the

regulations fall on the producers, this will definitely mean increased production costs. As a rule, these cause a slump in sales. Consequently, the state should concentrate on administration and provide a safe environment for both producers and citizens.

What does teamwork mean for you?

490 people are employed in the Zedazeni factory. Over 100 more are employed in sales and distribution. As for management, the core idea is quality and vision. Zedazeni is a quality guarantee for each employed person and the team as a whole. By and large we are doing a good job, working for the country to create a Georgian product which can compete at a global scale. If the goal is right it will bring people together and make it easy to engage all segments.

How do you cope with crisis?

Our main purpose is not to resolve crisis, but to pursue our goals and the ways we have set for achieving them. If you are in crisis it means you have miscalculated something or failed to achieve your goal. This is why I believe that setting the right goals and determining the functions of each segment is of paramount importance. One man cannot succeed alone, so teamwork is very important.

What challenges did you face in 2017, and what do you plan for 2018?

2017 was a very interesting year for the company, because we brought the first aseptic line on the Georgian market into operation. This was an ambitious project, because this market is mostly occupied by imported products produced in this way and there were risks in simply copying what bigger producers were doing. But we managed to retain our focus on quality, and the Georgian public responded positively to our new brand, Chero. This year we will be even more active in this direction and will add new flavours and children's drinks.

We also introduced Craft Beer onto the market and would like to support beer making in

Georgia in general. As the number of tourists has increased foreigners have become more interested in local products, and we would like them to taste Georgian beer. In lemonade and cola we offered numerous novelties to our customers; for instance, we involved the community in composing a song for Zedazeni. A video clip was also shot. We also had a grand Cola Lottery.

On the whole, 2017 was positive; a number of new producers emerged on the market, so competition increased, but we think this competition will make us even stronger and more motivated.

What can you tell us about your investment portfolio?

We invested 8 million euro in the aseptic line. We have a couple more new products coming on stream this year. We also plan to expand our export geography. At present we export products to more than 20 countries, and seek to double our export revenues.

You say on your website that you wish to become the number one beer and non-alcohol beverage producer in the Caucasus. How will you achieve this when there is such competition?

Our ambition is generated by the quality of our products. We believe we can produce the best quality beer, lemonade and juice in the Caucasus. We have already strengthened our positions in Georgia and are also strong in the region as a whole. Therefore a focus on exports will help us achieve this goal.

How would you assess the current business climate in Georgia?

We agree with the international ratings such as Ease of Doing Business. Georgia really does have a favourable business environment, and is focused on creating the best business environment it can. There are fewer obstacles for business here, and this gives us the motivation to implement new projects and not simply stay where we are. This environment will allow the country and every citizen to benefit from it.

NCC Construction Company - A Quality-Oriented, Successful Company



The NCC Construction Company has been in the Georgian market for nine years and has implemented many important and challenging projects. By utilizing the huge experience and advanced knowledge of its employees the company has been continually successful.

The company is not focused on one particular area of work - both infrastructure projects (roads, bridges, tunnels, underground communications facilities, parks/recreation areas) and all other types of buildings (residential, hospitality, medical and entertainment centres, etc.) are within the company's sphere of interest.

High-quality construction work and a high sense of responsibility to its clients are the top priorities of NCC.

At the annual Georgian Times and GORBI Business Awards NCC and **Gegi Kelbakiani** won in the categories of Caregiver of Tbilisi, new infrastructural projects, innovative style and complex architectural solutions. This was not surprising, as it has been a consistent winner over many years.

Here its founder and General Director, **Gegi Kelbakiani**, tells us about some of its projects.

NCC has managed to implement a number of serious projects over the past nine years. What has brought you such success in such a short time, and what is your company's formula for success?

You are right, our company has been responsible for some rather important and challenging projects within a pretty short period of operation. We believe a

clue to our company's success is our ability to find highly-qualified engineers, and staff with modern managerial skills and visions, and maintain a balance between them. This process is dynamic by nature, and the company rotates its staff to maintain this balance.

During a very short period the company has completed more than 50 projects of different scope and complexity, including a number of so-called Tbilisi landmark projects. We are building the Business House in Tbilisi, the first green building in the region to receive the LEED Silver Certificate. This is a very challenging project, but conducting such projects is the only way to develop the company.

How would you assess Georgia's business environment, and the emerging trends and challenges the construction sector is facing?

Construction rates are pretty high in this country, both in the public and private sectors. Nevertheless, the business environment is rather difficult for construction companies. The main challenge is price, which is becoming the determinant when clients select a construction company, and the absence of regulations (they are practically non-existent), which opens the door to a lot of inexperienced companies and generates a high probability of inappropriate practices being followed. These factors create an extreme reduction of profits, and in some cases even losses.

Construction companies no longer have the resources to introduce new technologies, identify and educate new engineers and make investments. Without

all these, the engineering potential of the country will be put under significant threat in the long run.

Georgia is a developing country, and there is a great need for the development of infrastructure. As a rule, business is not a supporter of stringent regulations, but there is a need for some regulations with a long-term perspective which will protect both clients and companies.

The tendering process ought to be about not only getting the best price but achieving the long-term growth of local construction companies and giving them the opportunity to make investments in basic business elements such as human resources and construction equipment. If it is, we will have a developed sector and increased construction quality, which will result in cost-effectiveness for customers in the medium and long term.

What is your company's priority?

High quality continues to be the unvarying value of our company. We believe that compromises on quality are inadmissible. This is why it often becomes necessary to make changes in our projects and send them for further elaboration. This places additional expense on our company and delays construction, which creates extra problems for the company and the population. But we regard a quality as a binding principle which is worth incurring additional costs for (even at the expense of one's own profit). However this situation cannot last forever, and governmental agencies and other customers should take steps to decrease the numbers of such occurrences.

This form of social responsibility must be accepted by all construction companies, but regrettably this does not happen, and we see a very different picture in Georgia today.

NCC Construction Company is actively involved in social projects. Can you tell us about these?

Amongst the numerous charity actions we offer as a part of our social responsibility year on year, high quality, comfort-oriented and aesthetically pleasing redevelopment and construction projects remain the company's top priority and most essential component.



BasisBank - Our aim is to be the best partner and financial services provider to Georgian prospective businesses



BasisBank is a universal financial institution with the history spanning over 25 years. It is now supported by the largest Chinese conglomerate and has huge plans.

The bank's flawless business reputation, established by its professional team, has given it a solid image on the banking market and enabled it to conduct beneficial projects in all areas

The business platform of the bank is high social responsibility and dynamic growth. The company has become a loyal partner and favourite of the Georgian Times and GORBI business awards by adopting and delivering on this platform. This year it won awards in four categories: for having a large capital base, dynamic growth and development, a professional team and a high business reputation.

Here BasisBank's General Director **David Tsavaa** tells The Georgian Times how the company maintains its status.

How did the bank start, what has it achieved and what is the secret of its sustainable development?

BasisBank provides clients with a full range of banking services. The largest Chinese conglomerate, the Hualing Group, became the holder of 90% of the shares in BasisBank in 2012.

Share capital has now increased to around 188 million GEL. The Bank's network of service centres is expanding both in the capital city and countrywide. We render services to more than 150,000 customers and our deposit portfolio has increased sixfold.

We have moved from 11th to 6th position amongst Georgian banks in terms of assets, which have also increased sixfold, and over 1,000 businesses have been developed with our support, loan portfolio having increased eightfold. We have made profits of 110 million GEL during the past five years.

What about International partners and awards you have received?

During the past years, based on the outstanding performance, trustworthy and reliable partnership and cooperation, BasisBank has gained wide recognition among numerous international financial institutions. In addition, due to the sustainable growth over the last couple of years and financial transparency, the Fitch Rating has upgraded our Long-Term Issuer Default Rating (IDR) to "B+" a short time ago.

We have also signed a number of agreements with the world's largest players in this sector, such as the China Development Bank, which has allocated us another credit line for funding small and medium-sized businesses. It is a matter of great pride that a Chinese financial institution has begun working with a local Georgian bank in this way.

But though international recognition is of the utmost importance, we are also very happy and proud when BasisBank receives awards from the local market. This is the third year BasisBank has received National Business Awards.

What role does the Hualing Group play in BasisBank?

When we talk about the success of BasisBank we should always mention our main shareholder, the Hualing Group, which has been backing us for 6 years and whose successful activities in Georgia deserve their own recognition.

We are very proud of being part of the team of our country's largest investor. The Group has already implemented numerous projects, and intends to continue making beneficial investment in Georgia. At the moment, Hualing Group's investment in Georgia exceeds 550 million US Dollars.

What were specific innovations and new directions the Bank has introduced in the past period?

Since the day of its establishment, BasisBank has been distinguished by its attitude towards its clients. Each one is unique for us, and perhaps this has been one of the most significant factors in developing our tradition of long-term and stable relations with them.

The uniqueness of our clients has inspired us to develop a new line - Unique Banking. We have created an absolutely new brand which allows us to offer our unique clients premium services, along premium products and distance banking channels.

Our advancements in terms of distance banking channels provide great convenience for customers, clients of BasisBank can now take a loan, open Deposit accounts or conduct any bank transaction via a mobilebank application and internet banking system. We offer personal dealer services via distant channels.

Are corporate social responsibility activities still a high priority?

The Basisbank Education Support Fund has been backing students and pupils for 10 years. It has implemented over 100 projects, including funding BasisBank scholarships and academic conferences, giving grants for obtaining an education in foreign universities, sponsoring the Annual Hackaton, establishing BasisBank high tech auditoriums in partner universities and BasisBank Libraries in schools and providing special textbooks for students with disabilities.

What are your plans for 2018?

2018 is BasisBank's 25th anniversary! Being active for a quarter of a century is a serious achievement. 2018 will be a particularly successful year in terms of growth and progress. We will improve our position in the largest banks list and will modify internal procedures to become synonymous with a swift, flexible and quality financial institution.

You are expanding on the financial market. What will you offer in other financial sectors?

BasisBank invested in the financial sector in Georgia a short time ago. BasisBank Holding has been supplemented by two new affiliated companies - Hualing Insurance and BHL Leasing. As a multi-profile holding, we are able to offer customers a full range of financial services.



Caucasus Auto Import - Big Player With Big Prospects



Caucasus Auto Import is the largest player in its industry, having more than 50,000 imported cars and satisfied customers to its name. It is amongst the most reliable companies, whose priorities include displaying high corporate social responsibility towards customers and staff. The culture of the business is created by the combined efforts of more than 200 staff, whose professionalism is appreciated by all.

At the 2017 Georgian Times and GORBI Business Awards Caucasus Auto Import was honoured in the following categories: creating highly paid jobs, market leader, dynamic growth and innovative products. Here **Giorgi Surguladze**, the founder of the company, tells us about its wide range of products and its unique synergies with the other member companies of the Caucasus Business Group.

How flexible are your products, and are they available for retail customers?

Caucasus Auto Import works with another group member company, Caucasus Auto Service, to provide repair-management of imported cars in line with the highest standards of production. Additionally, we offer dealers preferential financial resources, in effect working capital. They pay in the event of sales. We also offer different financial products for physical persons in affordable conditions. The 5 year lease is our exclusive offer and unique in the region.

What effect does your work have on the Georgian economy?

Our effect is not limited to export and import operations.

Colossal amounts of currency enter the country. This market operates at a high profit margin. Georgia is a kind of hub, as it has the guarantees necessary for operation and a preferential environment for business.

What obstacles do you face, and how do you address them?

The basic one is the economic conditions created through internal and external challenges, including the slump in oil product prices, the volatility of currencies and other factors which impact our activities. However the region has revived recently. Diversification is the only way to address such problems, and this is yielding outcomes for us. We traditionally work with the Azerbaijani and Armenian markets, and have now discovered a new prospective destination - Ukraine, where we are working on wide-ranging and long-term projects. This is an ex-

tensive and promising market.

The North Caucasus is also very interesting and the scale of Russian market is also favourable. However cars are transported there through Armenia, which means that our customers there had to remain in their country for six months as per the local legislation.

Which cars are in greatest demand? There is a hybrid car boom in our country, what about neighbouring countries?

Many people in Georgia are choosing hybrid vehicles, with 20-25% of these being imported by us. But there are different customers with different tastes. All brands have their clients - Toyota, Camry, Hyundai, Volkswagen, BMW, Mercedes... there is a wide choice.

What is your competitive advantage?

We conduct our affairs legally and conscientiously, making us a reliable partner.



Dugladze Wine Company - A Prestigious Georgian Brand



Winemaking has become a most prestigious business in recent years, and Georgian wine has gained numerous followers, but there are few native wine companies which continued nurturing their wines during the hard times when Georgian wine was blocked from international markets or adulterated. The Dugladze Wine Company is one of those which did, and it plans to maintain its reputation for many decades to come. Its untouchable image and pursuit of development create the basis for further recognition.

At the Georgian Times and GORBI business awards Dugladze Wine Company won awards for largest export markets, quality Georgian product and impressive reputation.

Here Zaal Dugladze tells us about the company's plans.

Can you tell us about the wine and brandy hall project in Vartsikhe?

This hundred years-old enterprise, which has been involved in wine making since 2015, will soon be transformed into a tourist complex incorporating a wine museum, which will offer tasting and rest areas where tourists will be told about the history of Georgian wine, which spans over 8,000 years.

Georgian wine has many foreign admirers. Do they know that the very first wine-maker was Georgian?

We are trying to tell them, even the French. Our company produces premium quality wines. Our latest promotional activities have been fruitful, thanks to the involvement of the government, but there is still much to do, and we will attempt to compete with other well-respected wines in the appropriate categories, especially French ones, which have great support.

From which other countries, apart from France, are

you expecting guests at Vartsikhe?

From all over the world. This is an amazing location which cannot be avoided by any tourist. It is only 20 km from the resort of Sairme, 3 km from Kutaisi Airport and 700 m from the main highway, half-way between Tbilisi and Batumi. The wine itself has a centuries-old history. The chateau wine Tsolikauri was first made in Georgia in the Vartsikhe factory, and Vakhtang Tsitsishvili created a stunning Vartsikhe brandy through the distillation of local raw materials. His predecessor brought Charentes brandy distillation apparatus to Georgia from France.

What equipment do you have?

The enterprise is equipped with the latest model technologies. 2 million in investment has already been made, and we are planning to invest another 3 million. The raw materials of the brandy are the same as they have always been, distilled from the best Tsolikauri grapes in West Georgia. We have vineyards in West and East Georgia, including Gori and Kakheti, which cover over 180 hectares.

Which is the most interesting market for a wine exporter?

I cannot specify. Consumption is growing in the wider region (Kazakhstan, Turkmenistan) and in markets where our wine has just emerged, including Japan and Korea. China has progressed significantly in this respect, and is not considered a new wine market any longer, due to the activation of a large free economic zone.

How often do you talk with counterparts regarding global plans, and do our awards increase your leverage with your competitors?

They provide a great platform from which we can say hello and formulate new plans. These awards are both a motivation and a huge responsibility.



Schuchmann Wines Georgia - 10 Years of Growth



Founded on German investment, Schuchmann Wines Georgia began as a winemaking company but has now expanded into wine tourism, hotels, the agricultural sector, gastronomy and wellness.

At the 2017 Georgian Times Media Holding and GORBI Business Awards Schuchmann Wines Georgia was the winner in the following categories: Best Georgian brand abroad, Development of a traditional field, New export market leader and National trademark - Quality mark. Its General Director Nutsa Abramishvili also won a journalists' award for "Mrs. Charm, visual image, business and public reputation".

As Nutsa Abramishvili says, the company has grown significantly over the last 10 years.

"2017 was very exciting. Many important events took place in the sectors in which Schuchmann Wines operates. We began operations in the gastronomy and tourism sectors. The Georgian traditional and modern cuisine which can be tasted at our Karvasla wine bar and restaurant in Old Tbilisi, which use avant-garde molecular forms, is very exciting and innovative.

"We also succeeded in wellness. Our wine spa, staffed with high class wine therapists, is an exclusive and outstanding concept. The procedures of our wine spa, and the indigenous raw materials we use, make this a very interesting product for our guests in Kakheti. We are going to expand in this direction".

What important changes have taken place in the Georgian wine market recently?

Georgian wine is establishing itself on export markets, but the most important event of 2017 was the presentation of Georgian wine at the Wine Civilization Museum in Bordeaux, France, where Georgian wine, agriculture, history and culture were given a prominent place. The country was presented for a very long time, meaning international customers got acquainted with Georgia and

the country now occupies a distinguished position in the global wine market.

Schuchmann Wines Georgia was also successful in international competitions. We participated in numerous contests last year and conducted marketing campaigns for foreign markets with our foreign partners. We promote Georgian wine as a whole through ourselves, as every step we take helps the country's development, attracting tourists, investors and incomes. 2017 was very rich in terms of marketing and awareness raising for Georgia and Georgian wine, and we broke the record in wine sales.

What do you consider to be the company's greatest success?

It is worth mentioning that we have achieved success in market diversification. We have completely substituted the Russian market with the Chinese one, despite the political and financial risks we had always faced there. It is not reasonable to be dependent on post-Soviet countries, so the substitution of Russia is one of our most important successes.

We export our products to more than 35 countries, and will continue developing this portfolio. During 2017 we achieved 1.5 million sales, of which only 15% were made in Georgia. Sales increase by at least 10% annually. We mostly occupy the prestigious and corporate segments of the Georgian market, and are export-oriented because the local market is small. Nonetheless,



less, we have a distribution line which supplies supermarkets and wine stores in Tbilisi and Batumi with our products.

Gaining an ISO:22 000 quality certificate was also one of the most important events of 2017. Our company is oriented on quality all the time. We have our own vineyards, and quality control is performed both in the vineyards themselves and the winemaking process. Most importantly, Schuchmann is already a widely known brand on the foreign market, and this is the merit and accomplishment of each person employed by the company.

What does quality mean for you?

I believe that Georgian wine, and the Georgian values and traditions which we introduce to every guest, will bring additional success to our country and be a contribution to the development of the tourism and wine industry. This is why the focus on quality is of paramount importance. It is simultaneously a highly responsible and individual thing.

Schuchmann Wines Georgia constantly pampers its customers. What are going to offer your customers this year?

Our chateau hosts important meetings. 90% of our guests are foreigners; when they hear our German name they have confidence in us, so we introduce new services and flavours on the strength of this. We create something which makes people happy, based on flavours and feelings.

We are going to produce balsamic vinegar this year. This is a very good product, and will be included in the list of Georgian products we produce for our guests.

How do you assess agricultural policy in our country?

Positively. The existence of state projects, implemented by the Ministry of Economy and Sustainable Development and Ministry of Agriculture, are very important for the development of companies operating in the agro sector. These projects include "Produce in Georgia", and all those which foster the development of agriculture and tourism. Oftentimes business does not have the opportunity to obtain affordable agro credit, and these projects help the development of business through the provision of cheap financial resources. I would underline the state's great support to the agro sector, its marketing activities and its commitment to the independence of the wine sector, in particular, the removal of subsidies, vineyard insurance etc. Winemaking is a national activity, and following this route will yield great results in the near term.

Hyundai Auto Georgia - Innovation For The Many



Conducting business involves challenges, and responding to those challenges is a precondition for surviving and succeeding in business. The age of a company, its number of satisfied customers, its quality of service and effectiveness of its management are indices of success.

Hyundai Auto Georgia has been offering customers the latest model cars and high class services for two decades. Its success is ascribed to the diversity of Brand Hyundai itself, which traditionally is regarded as one of the most innovative car marques. Demand for its products grows year on year.

16 new models are displayed in the Hyundai Auto Georgia showroom. Hybrid and electric cars are available with a 7 year guarantee whilst other models have 5 year guarantees.

At the 2017 Georgian Times and GORBI Georgian National Business Awards Hyundai Auto Georgia won awards in the following categories: highly demanded and saleable brand, creative marketing and effective marketing. Here its Director **David Giorgobiani** assesses its 20 years of activity in Georgia.

What is the current situation in the Georgian car market?

The market for new cars has stagnated. State procurement has been reduced, and the laricisation programme has increased prices and bank interest rates. Consequently, retail sales have decreased, and competition between brands increased.

What challenges do the country's business sector and economy face?

The business environment is largely created by government policy in a country like ours, but today we have a government which is doing everything it can to support the creation of new companies and employ as many Georgian citizens as possible. A wide range of tax benefits are available for

the business sector, and business is not being pressurised.

The Georgian government has also managed to regulate relations with our neighbouring countries, despite our difficult geostrategic location and the harsh lessons of recent history. This fosters the further development and advancement of trade relations with those countries. The markets of European and the other developed countries are also open for Georgian entrepreneurs, and securities offered by Georgian banks are being sold on the London Stock Exchange.

Today we live in an era of technological advancement, and business and economy are dependent on technological progress to a great extent. This is occurring rapidly and universally in business, medicine, the banking sector and various technological industries. Business must either keep pace with modern developments or disappear.

How successful were you in 2017, and what are your expectations for 2018?

Sales reduced in 2017 compared to 2015-2016, but we have increased the quality of technical services available for existing customers and sales support has been enhanced for new customers.

We have higher expectations for 2018 in terms of sales of new automobiles. We plan to improve service quality and will conduct new marketing campaigns for Hyundai car owners.

Demand for hybrid cars is growing. What changes might we expect from Hyundai in this regard?

We have observed this interest in Georgia, but basically customers want second hand cars. Today only financially strong and progressive companies (TBC Bank, Procredit Bank etc.) buy hybrid and electric cars. However, I think general customers will move to hybrid and electric cars in a very short period of time (2-4 years).

Hyundai offers its customers sedan-type hybrid and electric cars. From the end of 2018, two new hybrid and electric models will be available.

What do you offer your customers in terms of service centres and other types of services?

We conduct ongoing marketing campaigns in our service centres.

What do these Georgian Times and GORBI awards mean for you?

It is an honour for our company to win Georgian Times awards as they demonstrate that we are appreciated. Awards ceremonies like this allow us to meet other successful businessmen, present our company and receive memorable prizes which are proof of our success.

What is your formula for success?

Being determined and consistent, maintaining management control, most importantly loving our business and respecting those who help us achieve prosperity.



GAA Holding - A Portfolio of Success

GAA Holding is the only Georgian company which combines businesses of different types who are each market leaders in their segments. These include McCann Tbilisi, KEDI Studio, ADSS Print, Starvision Media Group, Sena Motors, DG Mania. Gaa Holding has been a major player in the Georgian business world for the last 25 years.

The group has such a huge and significant scope that it was a contender in every category at the Georgian National Business Awards 2017. In the event it took home three: for public image, effective management and ongoing success. Here The Georgian Times interviews its CEO and founder **Gia Alikhashvili**.

How was your holding founded, and how did it expand?

One step forwards was the basis on which we conducted our expansion and became successful. Our story actually began in the 90s of the last century, when there was no transparency in the market and doing legitimate business was almost impossible, but we stayed the course. Our principled conduct ultimately benefited us at all stages of our operations.

Which segment did you enter first?

Kedi TV was the first advertising company in Georgia, and this established our business platform. It was a kind of master class for us, which demonstrated that our efforts are always productive and there is no reason to stop moving forwards. The main idea of GAA Holding is to run an independent business. A strong business sector is a prerequisite for proper national development.

What does Georgian business need at this time and which directions should we be focusing on?

Innovative approaches are another significant dimension of GAA Holding. If you have your finger on the button of world news you know exactly what is most important in any specific direction.

We have several strategic directions, including marketing, advertising and media commu-



nications, in which we are represented by international players such as McCann Tbilisi, UM Georgia and Momentum Georgia.

Can you tell us more about your automobile and media operations?

SENA AUTO GROUP, the official distributor of various international automobile manufacturers.

SENA AUTO GROUP, which was founded in 2006, provides individual and corporate customers with a full range of cars services. Its passenger and freight vehicles, electric cars, all-terrain vehicles, snowmobiles, premium quality oils and lubricants and original spare parts are available at its own service centres. The group gained an ISO 9001:2008 Quality Standard in the field of car sales and service in 2016.

The innovative multimedia platform STARVISION, which combines STV, Radio STAR FM and internet news portals, work well together and they are distributed through traditional channels as well as internet.

Kedi Studio and ADSS Print create advertising products using the latest high standard equipment with the help of their high professional teams and long term experience in the production sphere.

A multi-profile holding does not require radically different governance. However, we need much more knowledge, so

we both learn and teach.

How flexible are your offers, and how customer-oriented are you?

Looking at McCann Tbilisi will tell you a lot about GAA Holding. McCann is at work agency with 20 years' experience in Georgia and 125 years of global experience. Its activities include consulting, developing brand strategy, planning result-oriented integrated marketing communication campaigns, design and art direction.

McCann Tbilisi is committed to improving the quality of customer services through the exchange of global network knowledge and experience and the introduction of new opportunities, technologies and products. Its ongoing clients include MasterCard, Coca-Cola, Ferrero, L'Oreal and Microsoft. These names alone are a benchmark of the company's capabilities and achievements.

The UM Georgia Media Communications Agency conducts strategic media planning and digital marketing, using relevant research and programming to budget, implement, monitor and evaluate these plans. Momentum Georgia is a brand experience agency specializing in areas outside of traditional advertising, including events management, digital sales promotions, web/app design and development.

What will GAA Holding look like in the future, when the green economy will play a more important role?

GAA Holding foresaw the present ecological challenges years ago and began to promote electric cars due to its social responsibility towards business. This is why Sena Auto Group became an official distributor of JAC Motors in 2015. This company is represented in more than 130 countries and has a history of 50 years. Its comfortable and innovative electric autos will change the exploitation culture generated by cars and make each of us even more responsible.



Geoplant - Producer of Gurieli, the Georgian For Tea



In Georgia tea is always associated with the name of Gurieli. The brand is only 8 years old, but has managed to dominate the domestic market and enter several exports markets in that time.

Georgian tea, with its soft and gentle aroma, once had numerous admirers and competed with Indian and Ceylonese teas. It was exported to Europe even back in 1885. However its quality and demand gradually disappeared over the last 25 years, like many other things.

It was thus really hard to make the idea of Gurieli a reality in 2010, when well-known foreign brands had entered the local market. The company's founder recalls that it took two years of intensive work to get to the point of making the first presentation. But a new brand was created which has become a turning point for the Georgian tea industry.

Geoplant has already won numerous awards for the production and promotion of high quality tea. At the 2017 Georgian Times and GORBI business awards Geoplant was a winner in the categories of eco-friendly, innovative products, customer choice and international recognition. Here company director **Mikheil Chkuaseli** tells us about the company's achievements in 2017 and future plans.

What does it mean for Geoplant" to be named amongst the top 30 companies in Georgia?

Being nominated in such rating five years consequently is a matter of pride for every company, and more so when we win an award. Quality, responsiveness to customers and caring for the environment are our priorities, and we do not plan to change our direction.

What has driven the company's success, and what is the prerequisite for such success?

To begin with, a professional team has created the brand and product. It is impossible to achieve success if any one link of the production chain is not working properly. Quality is important everywhere, and is the most important part of success, so quality control is conducted at

every stage.

The process of introducing innovations and offering new products is very important. But without a constant link with your customers no one can talk about success.

What did 2017 bring for your company - what was your main achievement and how did you address its challenges?

We managed to maintain double-digit growth in 2017 and this provides a very important basis for further growth. We successfully launched one of our brands, Georgian Bakhi, on the German market and have even bigger plans for 2018.

We launched another new product, Prince Gurieli - Christmas Tea for the New Year, which has proven very successful. In 2018 we plan to export this type of tea abroad, and have created special packaging for it for hotels and restaurants, in both the classic and fruit lines and the premium segment.

We have laid the foundations for a number of important projects, which will appear on both local and export markets.

What are the company's plans for 2018 - what will be your focus, and do you plan to expand your geographical spread?

Quality, and responding to customers to the fullest extent (by maintaining ongoing contact and taking their comments into account) are our top priorities. This responsiveness is not PR or marketing, it is a fundamental part of our business. As reflected in figures, our focus will once again be the achievement of double-digit growth on both local and foreign markets.

We will be issuing two new collections in 2018. We are creating a special product for the Frankfurt Book Fair which will introduce Georgia to the international arena as a country in which business and culture undertake significant projects together.

We also plan to add a very exciting premium line directly linked to local industry. The increase and expansion of existing sales is our primary objective at export markets. We certainly want to expand our geographical

spread and are working on this. But it is of the utmost importance for us to seek a stable partner, not just a customer.

Do you plan to expand your investment portfolio, and in which segment should we expect to see new products?

As I have already mentioned, we are going to introduce some limited editions and collections. We also plan to add an extra line to the Gurieli family, which we have given the draft name From the Tea Gardens of Gurieli. This will be mono, not blended, tea. I believe we will make tea lovers happy. There are some other plans we will announce later.

The government has recently taken an interest in Georgian tea. Are enough measures being taken, and what further steps could be taken?

The local tea industry has definitely revived. I believe the implementation of the new state programme has played a significant role in this. It has stimulated a private sector revival. It is impossible to achieve success in the hothouses alone when up against rival multinational brands, but at the same time it would not be right to rely solely on the state. Many new brands have emerged, packaging is being refined and there is marketing support. But though all this is good it is not yet enough. Our formula for success has been finding new export markets, and the country needs to become more active in this.

We have heard skeptical views about the prospects of Georgian tea. What would you say to those who make such assessments, and how do you see this situation?

The Georgian tea industry cannot now be at the level it was during the Soviet period, but this is not actually necessary. Quantity is not our priority. But you will not be able to keep pace with modern trends if you keep yourself isolated, so development will depend on openness and cooperation. The third important factor is utilising our own advantages. These include ecological cleanliness, and especially the aroma and balanced flavours of our green tea and fruit varieties.

Nikora - Georgia's Supermarket



Nikora Supermarket has been around for 19 years. From the day of its establishment, the company's main priorities have been innovation, development and expansion. The chain now has more than 202 outlets, including the Sunday network in the West Georgia, Velles, Libre Hypermarket and Nugeshi Supermarket Network.

Nikora Supermarket has held ISO 9001: 2008; ISO 22000: 2005 HACCP certificates in quality management and food safety for several years. As well as local foodit offers foreign products, hygiene products and daily household items.

Nikora employs over 4,000 people, which is the company's greatest achievement. The achievements of Nikora JSC as a whole are even more impressive. In 2016 Nikora Trade became the first company to issue 5 million dollars bonds, with the support of Galt & Taggart. In the summer of 2017, Nikora JSC issued 10 million dollars bonds. As its employees are its most significant assets, Nikora gifted its staff shares in the company for New Year. Nikora is ready to offer shares to any interested person. The sums earned from this share issue will be spent on the development of the store network.

At the 2017 Georgian Times and GORBI business awards Nikora Supermarket

won awards for promoting national production, having the largest network in Georgia and creating new jobs. Here **Davit Urushadze**, its Executive Director, tells us about the company's achievements and future plans.

What has made you so successful in the face of huge competition in the retail market?

Quality control is the most important factor for us. This is why our loyal customers have trusted us for these 19 years. We are also trying to come closer to everyone's home and build good neighbourly relations with the residents of all districts.

Periodically we renew our branches and increase their product ranges according to demand. We have invented a new card, Meti, which enables customers to buy all types of products but pay later. This will be a significant privilege for our loyal customers, and I believe interest in this card will increase considerably. Numerous European brands have newly appeared on our shelves, and these are exclusively imported and available only in our network.

How is the brand represented in terms of shops and employees?

In 2018 our development and growth dynamics will increase compared to previous years. More than 100 new shops will be added to the network, in the capital city and countrywide. This year we

will again offer our customers high standard at affordable prices. We now have more than 4,000 staff.

How would you assess your activities in 2017, and what are your expectations for 2018?

2017 was a pretty successful year for us, because we fulfilled all our plans. We managed to expand our network dynamically, on the basis of customer desire. We also offered the significantly bigger "Nikora XL" format in Adjara and Tbilisi. This received great interest and positive feedback, therefore we are going to add more XL shops in the capital.

The main event of the year was the release and public sale of the company's shares, which set a precedent in this sector. We were able to do this due to our long history of reliability, with the support of the National Bank of Georgia. Today any stakeholder can become a shareholder of Nikora Supermarket.

What does winning Georgian Times awards mean for you?

Every success is important for us, and winning Georgian Times awards is amongst them. The awards we have received are the product of round-the-clock toil. The hard work of all the chain is very important. We are trying to make significant investments in staff training and qualification and have seen positive results. Such awards are also a stimulus for any business.



'Kula's products are available in USA, Germany, Canada, Cuba, Ireland, Spain, France, Belgium, the Netherlands and all the CIS countries'



The Gori Feeding Cannery, which produces the brand Kula, has been active since 2009. The brand is associated with healthy and reliable products, and offering customers innovations and novelties. It has introduced sugar free jams and canned fruit (compotes) and non-carbonated lemonade to Georgia. By 2019, the company plans to offer the first Georgian baby food.

No water, sugar, preservatives or concentrates are added to Kula's juices. Their sweet taste derives from natural fruit juice. All its products are subject to strict quality control, the chemical and microbiological analyses which take place before and after sterilisation which ensure product quality and safety.

The management aim of combining nature and technologies has been supplemented by promotion of the country, as a new detail - the flag of Georgia has appeared on the packaging of its unique and sugar free products since last year. A new slogan has also been created - "One Country, One Juice". The company has received numerous awards and certificates, and was named Georgian Product of the Year at the 2017 TBC Bank and GeoCell Business Awards.

At the longstanding Georgian Times and GORBI Business Awards Kula won awards for reaching new export markets, high ecological standards and the creation of new jobs. Although 2017 was a difficult year for Kula, the company maintains in business that every single day is a challenge and tackling such challenges creates success.

Here the company's director, **Ivane Goglidze**, tells us about its future plans.

Why was 2017 so difficult?

We faced problems with currency devaluation and the spring frosts. In Shida Kartli, the fruit completely froze and prices were very high. Nonetheless, we managed to maintain prices and quality.

What projects did you implement in 2017, and how successfully?

We built a new plant for producing meat products. We activated an export line which yielded some currency. We also began production of sugar free tkemali, juices and jams and compote.

How did customers respond to your canned meat products?

The Georgian market is basically imported meat products. We aim to increase Georgian companies' interest in local products, hoping they will win large-scale tenders and supply different organisations with meat products.

What are your plans for 2018?

In 2018 we plan to produce bio juices. We are making a 2 million USD investment for this purpose, and have built a new factory in Akhaltsikhe. Construction works have been completed and we intend to

open it by the end of July.

As you produce fruit and vegetable juices, jams, tkemali sauces and compote, do you plan to develop your own farms?

We buy 95% of our raw materials from farmers, but we also grow berries such as raspberries and blackberries... we are thinking of planting tkemali gardens at some point, but we do not have a concrete plan right now.

What varieties of product do you offer and how many people do you employ?

We offer customers more than 220 varieties of products. At the moment, over 300 people are employed in the enterprise and we plan to add 50 new staff in the Alkhatsikhe factory.

How many countries do you export to?

We are represented in 25 countries. Our largest exporting markets include the USA and Germany. Kula's products are also available in Canada, Cuba, Ireland, Spain, France, Belgium, the Netherlands and all the CIS countries. We also plan to export some of our bio products and expand our export geography.



Giuaani - Wine From the Heart of Georgia



Creating wine in a country with winemaking traditions spanning over 8,000 years is a matter of great pride and even greater responsibility. Here, in the cradle of wine, wine brands tell the history of wine itself, and this also goes for Giuaani wine, the history of which begins in the heart of the village of Manavi in 1894. 123 years later, this is still home to the Giuaani wine cellar, where traditions are blended with modernity from grape to bottle.

The company's main focus is on quality, which is why a limited quantity of wine is produced. The company produces only 400,000 bottles of high quality wine, whose wide range has gained recognition worldwide. Giuaani wine has won medals in many international wine competitions, and now it can add Georgian Times and GORBI business award prizes to its list.

Giuaani and Giorgi Surguladze have won the 2016/17 awards for best Georgian brand, ecological standards and international recognition.

Here the Georgian Times interviews **Giorgi Surguladze** about its success and future plans.

This year the company has been named among the top 30 companies, and won three important awards. What does this recognition mean for you?

Giuaani has received further recognition from a reputable organization by being included amongst the best companies in Georgia. We would like to thank the event organisers once again. This is a very important success for us. It places on us a great responsibility to maintain our high quality in the future. It encourages us to increase our range and actively export in the name of Georgia.

What do you think has made the company successful?

Quality production has been the first precondition for our success. Teams of Georgian professionals work along-

side European specialists from France, Greece, and Italy. They are engaged in all winemaking process from beginning to end, control product quality and ensure compatibility with Georgian and modern standards. The enterprise is equipped with the latest model equipment and traditional pitchers. We also use oak casks for aging the wine.

Our success is also due to our activity at international contests. Giuaani has participated in many wine competitions over the past year. Our wine is greatly appreciated in the international arena, and the company has already gained 33 medals at contests in Italy, Germany, the Republic of Korea, China, Hong Kong etc.

What was the main economic event of 2017 for you?

From the macroeconomic standpoint, the volatility of neighbouring currencies has created an unstable background for us, but we have managed to overcome this so far. The introduction of a stable business environment in Georgia has to be regarded as the main event of the year, alongside the support of the state, the implementation of the Estonian model tax system, further development of the tourism potential of Georgia and efforts to promote the country. In addition, wine exports have reached their highest recorded levels.

What were your main challenges and achievements in 2017 - how did you face these challenges?

2017, like 2016, brought us great success. I have already spoken about the international awards. We have also accessed new export markets, with Giuaani wines being sold in the United States of America, the Netherlands, Greece, China and Japan. The opening of the Giuaani wine room, wine bar and shop at 39 Aghmashenebeli Avenue in Tbilisi was the outstanding event in 2017. Customers can buy wine and taste delicious food in the same place. They can taste, assess and buy wines of any variety.

What are the company's plans for 2018 - what will be your focus?

Our plans, naturally, will depend on growth. We will focus on the creation of additional varieties. We plan to begin production of Giuaani's high quality chacha and brandy in 2018. Our minimum and maximum level plans are based on development and awareness-raising for additional new products. Finding new export markets is also the main task of any company, and in 2018 Giuaani wine will be exported to several more leading European countries. We are now preparing orders for the United Kingdom, Ireland and Germany, and are working with many other countries.

The Giuaani winery is situated in the village of Manavi, in the Kakheti region, which is the nearest region to Tbilisi. In 2018 customers will be able to visit our factory, which is equipped with modern technology, traditional pitchers, oak casks and cisterns. Professional sommeliers will help customers taste wines made in accordance with Georgian and European traditions. They will also be able to dip Churchkhela, bake Georgian bread, participate in aspects of the wine-making and take a look at the chacha-making process. We have modern Italian chacha distillation equipment as well as Georgian peasant stills. Customers can also taste Georgian cuisine in the restaurant. In 2018 Giuaani will also participate in different wine tourism events.

What are the company's investment plans?

Certainly, we plan to increase our investment profile. I have already mentioned our plans regarding new products. In 2018 our high quality production will be supplemented by new brandy and chacha lines. We also intend to construct a modern hotel and increase our range further. We are hopeful that our new products will obtain positive feedback, approval and love from both customers and evaluators.

PSP- Pharmaceuticals for All

PSP has been a symbol of confidence, quality and success for 24 years. The brand emerged in 1994 as a network of drug stores, and 4 years later it began producing local medications. Today the company is also active in the hospital and insurance sectors.



PSP Group takes pride in the fact that more than 5,000 people are employed in the company, including 3,500 in the pharmaceutical area, 500 in production and 1,300 in hospitals. Its professional team is the company's most valuable asset.

PSP has won a long list of awards, but perhaps the most important of these is the Stevie Award, known as the Business Oscar. It is the only Georgian company to have won a Stevie Award.

At The Georgian Times and GORBI Georgian National Business Awards 2017 PSP won awards for being an Oscar winning Georgian brand, showing social responsibility, providing customer choice and conducting effective marketing. Here its director **Gocha Gigolashvili** tells us more about the company.

How has PSP been so successful?

PSP is the undisputed successful leader in all the sectors it is active in, including pharmacy, hospitals and insurance. The PSP pharmaceutical network supplies guaranteed quality medications to more than 200 facilities in Georgia and baby nutrition, hygiene, baby and adult care and cosmetic products. Apart from its seasonal discounts, PSP also offers low prices on medications every Tuesday, Wednesday and Friday. Every holder of a PSP card receives an additional 6% discount on each item along with all the other ongoing discounts. All this has created a PSP "family pharmacy" of 2 million customers.

How have you managed to achieve success in the hospital and insurance sectors, and do you plan to expand New Hospital?

New Hospital performs operations which are unique in the Caucasus. The majority of its medical staff received their education in the USA and Europe. This 150-bed clinic is

equipped with the latest model equipment and appliances. At the end of the year, a new building will be put into operation and New Hospital will become the biggest multi profile clinic in the region, with 400 beds.

PSP health insurance has been included in the top three insurance companies for the last two years. More than 100,000 employees from 100 companies are insured through PSP Insurance. They and their family members enjoy comfortable personal and corporate health insurance, with flexible payments and a wide range of provider clinics and dentists.

What were the company's greatest achievements in 2017, what kind of challenges did you face and what was your response to those challenges?

2017 was a special year for us, as our success went beyond local scope. PSP won a Stevie Award for best rebranding/renewal on 21st October in Barcelona. Over 200 executive directors from more than 60 countries declared PSP's Rebranding Project "More Than Just a Pharmacy" to be the best in the world, and a driver of further development of the entire pharmaceutical market.

Family is a main pillar of our new business concept. An updated PSP store is made up of three zones: beauty, health and family care. Each has a different, pleasurable, colourful design and, most importantly, customer-friendly zoning.

In how many countries have you registered your medications? Do you plan to expand your export geography, and if so, to where?

At present GMP medications are exported to 11 countries: Armenia, Uzbekistan, Kirgizstan, Tajikistan, Moldova, Kazakhstan, Belorussia, Azerbaijan, Ukraine, Libya and Turkmenistan.

Our export volumes grow year on year. According to 2016 data, 6,182,651 boxes of GMP pharmaceuticals were sold in Georgia and 4,306,201 boxes exported. Our long term projects include exporting to EU and US markets.

What novelties should we expect in the PSP insurance, pharmacy and hospital lines?

PSP Insurance has been operating in the corporate health insurance segment since 2011, and has offered customers numerous interesting insurance projects. This year, PSP Insurance plans to significantly expand its scope of activity, not only by creating new retail health insurance products but also car and real estate insurance products.

PSP pharmacy plans to expand its store network and product range considerably this year; I believe the rebranding of the largest part of PSP drug stores will be completed by the end of the year. We also have an exciting plan to open one new drug store per week; some of these will be in the capital, but some in the regions, including Telavi, Kvareli and Akhmeta.

What does winning awards mean for you?

PSP is the first Georgian Business Oscar-winning company. It is a matter of great pride and stimulus for us but also a great responsibility. Our company's social activities will be steered towards social and health projects; we also focus on environmental activities - the PSP network renders services for our customers using biodegradable and paper bags throughout the whole Georgia in order to protect the environment from polyethylene packs. We were one of the first companies to get involved in the Borjomi Forest Restoration Project, and planted 500 trees at the first stage. Our business and marketing activity will be oriented towards customer interests, offering them interesting and useful projects. PSP is a drug store with more than 2 million customers, and we need a lot of positives to meet their expectations.



Aversi Clinic - Medicine For All

Aversi Clinic is the only clinic on the market where accurate medical examinations are conducted which do not need any further verification. Customers feel absolutely safe at this most reliable and caring clinic.



The Aversi network uses the latest model medical equipment. It includes the Alfa Insurance Company and the Konstantine Eristavi National Centre of Surgery, where a full range of in-patient and out-patient services are provided. The Academician Vakh tang Bochorishvili Clinic is also part of Aversi, and has been redeveloped thanks to a 14 million GEL investment. Its mechanical & technical base have been completely updated.

The Aversi Group is known for such grandiose projects. At the 2017 Georgian Times and GORBI Georgian National Business Awards it won prizes in the following categories: Public Image, Customer Choice, Creation of New Jobs and Effective Marketing. These awards were expected, as the group was nominated by every Georgian business, and thus no one imagined that it would not win a Public Image award.

Here The Georgian Times interviews **Paata Kurtanidze**, the founder of Aversi.

Aversi has won awards in a number categories. How difficult is it to maintain your position?

Naturally, a strong public image and positive attitudes are important for a successful company. Our company cares for the Georgian people's health and peace of mind, and these Awards are a valid indicator of public attitudes. It is a great honour for us to receive these awards year on year. All our staff try their best to contribute to the advancement of the company and to maintain Aversi's position.

"Aversi" is the oldest and best-known health brand in Georgia. How has it stood the test of time and how did this advantage help you?

Company "Aversi" appeared on the pharmaceutical market in 1994. The company has always been oriented on customer's needs, which is the reason that it still maintains a status of a strong and successful leading brand - 2,000,000 loyal users visit "Aversi" every month.

During our 24 year history we have implemented numerous important projects, inspired by a high sense of social responsibility and public interest. The company's stability and development are the outcomes of around-the-clock toil and great efforts, as you would expect. Principled and timely decisions, abiding by the appropriate regulations, team work and well-thought-out management have helped "Aversi" succeed in this competitive sector.

"Aversi" also has a well-

known charity campaign for large families, what changes have been made in this activity through the years?

"Aversi" launched the project of helping large families in 2005 and it still continues to succeed. Initially, the project provided only material support, but "Aversi" recently provides families with care and hygienic products, medications, medical services and other kind of support. The company is a huge supporter of the large families.

"Aversi" has won awards in the G.T. Business Award in a number categories, including public image. How difficult is it to maintain your position?

Naturally, a strong public image and positive attitudes are important for a successful company. Our company cares for the people's health and peace of mind, and these awards are a valid indicator of public attitude. It is a great honor for us to receive these awards year after year. All our staff try their best to contribute to the company's success and to maintain this important position.

The pharmaceutical market is rather sensitive to currency fluctuations. What kind of business risks do you need to address and what is your policy of balancing?

It is difficult to take into account all the factors of the current economic situation which have a significant impact on our business. However, currency fluctuations present the greatest risks, and we are always prepared for such external factors. It is important for us to reduce the impact of currency fluctuations on customers. We are trying to preserve financial balance through around-the-clock toil and contemplation.



"Aversi's" activities broadened beyond the pharmaceutical field long ago. What are the company's achievements in the hospital and insurance sectors, and what does the market need in terms of legislative guarantees?

The hospital sector is constantly evolving and expanding, we try to keep up with new challenges and standards that are changing almost every year in this field - innovations are introduced and equipment is updated. It is vitally important to retrain staff and introduce them to the latest developments in the field of medicine. As for insurance, "Alfa" has managed to maintain its market share despite vigorous competition, and offers customers a comprehensive and innovative range of insurance products.

Does it need to stimulate, even at a complex offer, what is required to make your products sophisticated and cost-efficient?

Ensuring the availability of complex offers and creating necessary and much demanded products is a constant process. These must be cost-effective and meet market requirements. The company constantly addresses these issues.

You are a veteran participant of the G.T. Business Awards and are not considered as a guest any longer. How do you feel this particular platform is beneficial for you?

Being a part of these awards is always a great honor for our company. We feel ourselves in a friendly and welcoming environment, which is great pleasure for us. "Aversi" wishes constant development, stable progress and huge success to The Georgian Times.

MG Keeps Georgia Running



MG is well aware of the fact that it will never be successful without a professional team and reliable partners. It has manifested this throughout its 10 years of operations in the fuel retail and wholesale markets. The company has long experience in the logistics, construction and branding of petrol stations and cooperates with Rompetrol Georgia to provide high quality fuel and services.

At the 2017 Georgian Times and GORBI business awards MG won awards for having a professional team and being a reliable partner and quality guarantee. Here **Zurab Kiknadze** tells us about the company's future plans.

How has MG achieved its success?

It is the product of cooperation with brands like Lukoil Georgia, Rompetrol Georgia and all the other leading oil importing companies.

What kind of services do you offer?

The main services are retail and wholesale oil sales and other services related to this. As MG incorporates a number of smaller companies, we also offer construction and logistics services.

What are MG's advantages compared to its competitors?

Our main advantage is the quality of our services and fuel products. As we cooperate with European companies we sell only European fuel. We are customer oriented to the fullest extent. Another important factor is the convenient locations of our petrol stations.

What is your market share?

Our retail market share is not big because we only have 10 petrol stations at present, but we have approximately 30-40% of the wholesale market.

You have been in these markets 10 years. Which has been your most successful period, and how do you deal with crisis?

The period from 2012 to the present can be considered our most successful. We have also had crises, like other companies, and we meet to identify and discuss the causes of the problem and find ways of resolving it. This method ultimately yields the desired results.

What has been your contribution to the development of the petrol station network in Georgia? What do safety and high quality mean for you in this regard?

Despite the fact we are operating under a brand, that brand has customers of its own. Our niche, if we may say so, includes the attraction of clients, customer-oriented services and high-quality fuel. From petrol station operators to management, we spend every single day trying to create the most comfortable environment we can for our customers, and provide not only high quality products but high standard services.

What were your greatest achievements and successes in 2017, what challenges did you face and how did you respond to them?

2017 was quite a successful year for MG. The company grew by 130%, and we hope to achieve the same sort of results this year.

What are your plans for 2018?

We are planning to add 8 new petrol stations countywide and import aviation fuel and supply it on site.

What challenges do the country's businesses and economy face?

The Georgian business environment has changed radically since 2012. It has developed in quite a good direction. One of the main challenges remains attracting funding to develop businesses. I would like to call upon the banking sector to become more sympathetic in terms of interest rates and loans. Georgia's business sector is quite promising, and we need to support each other, not impede the country's development. Resources should be directed towards tourism, small enterprises and the agricultural sector.

What does it mean for you to win three Georgian Times business awards?

What the Oscar meant for Leonardo DiCaprio in 2016.

Do you think such awards stimulate business?

Yes, they are both necessary and welcome.



Georgian Products - Pet Furniture for Europe



Pet furniture manufacturer Georgian Products is seeking to strengthen its position on the European market and enter a new sector - it is planning to start producing toys and food products. The company's founder takes a lot of pride in the fact that Georgian Products has managed to gain a niche in the European pet furniture manufacturer market. "There are five competitive brands in Europe in terms of price and quality and we are one of these, although we only began operations three years ago. Now Georgians can make European standard products," Davit Bardavidze told us.

At the 2017 Georgian Times and GORBI Business Awards Georgian Products

won awards for creation of new jobs, modern management and attracting export income. Here he tells The Georgian Times how the company has developed in such a short space of time.

What does this award mean for you?

Certainly, the award is a great motivation for us. Our company received a Certificate of Gratitude from World Bank this year, so we have much to be thankful for.

Georgian Products has been in business for three years. Can you tell our readers what you have achieved in that time?

We have expanded significantly since 2015. We began with 40 employees, but now have 450. Revenues have grown in the same way. In 2016

our turnover increased by 1,000% compared to 2015, and we saw a further 25% growth in 2017.

Can you expand on your future plans? What kind of investments do you plan, and what should customers expect to see?

In 2018 we will expand our product range, specifically by producing food products. We intend to make approximately \$1.5 million in investments. We also plan to manufacture eco-friendly children's toys for the European market.

Which countries do you export to, and do you plan to expand this list?

At present, our products are being exported to the following countries: Germany, The Netherlands, the United Kingdom, Belgium, France, Poland and Turkey.

Which of your products is most in demand?

Natural wood products.

What is your advice for the government? What sort of assistance does business need, and how would you assess the corporate profit tax reform?

My advice would be to continue and expand the scope of the projects which promote business, for instance Enterprise Georgia, and to help Georgian companies connect with European companies which can become their outlets in EU countries. The corporate profit tax reform has had a positive impact on business, as we can now retain much greater resources we can use to develop production.



N Qiron +: A Leading Baby Clinic

The N Qiron+ Medical University affiliated clinic is a leading neonatology centre, with a highly qualified team of doctors, high tech equipment, emergency service and resuscitation brigade whose newborn health care services are accessible 24 hours a day. It is actively involved in practical, scientific and training activities. Its pediatric out-patient service provides neuropathology, surgery, neurosurgery, orthopedic and dermatology care for children. Ultrasound examination equipment and a high tech diagnostic laboratory are also available, meaning patients can be examined on the spot.

At the 2016-17 Georgian Times and GORBI Georgian Business Awards N Qiron+ got awards for professional team, high technological standards, operational management and stability of activities.

Here Nana Bukhrashvili, Director of N Qiron+, tells us about its current activities and future plans.

What does the Georgian Times and GORBI business awards mean for you?

Participation in the business rating reflects the paramount success for our medical clinic. I believe naming N Qiron+ amongst the best companies is recognition of the hard work of each member of our qualified staff, who work 24 hours a day.

Can you speak at length about the activities of the clinic - what specific services do you offer your patients?

N Qiron+ was founded in September 2014. We care for newborns, premature babies and infants with low weight and extremely low weight. Four



years is a very short time in which to have gained the confidence which is so valuable in the field of medicine, especially when you are dealing with the lives of newborns. We have managed to achieve our goals by employing a professional medical team and taking patient-oriented approaches.

How much do state policies in the field of medicine help your development?

As is known, the majority of the population is included in the universal healthcare programme. As for our profile, neonatal infants are 100% funded from the state programme. In

this regard, the state is a strong and important partner.

What innovations will you offer your patients in the near future?

Our main direction of development is the establishment of a perinatal service at our clinic, which will make us a multi-profile medical institution. As we have experienced and highly qualified staff in both medicine and management, and the clinic equipped with high tech medical equipment, which is continually renewed with the latest models, we are hopeful of achieving this goal in 2018.



Archangel St. Michael MultiProfile Clinical Hospital - Serving Georgia For Over a Century

The Archangel St. Michael MultiProfile Clinical Hospital (formerly well-known as the "Mikhaelov" hospital) provides a wide range of medical services for patients, utilising broad expertise and a history spanning over 150 years. Equipped with the latest model medical equipment, the clinic provides medical services for various types of patient 24 hours a day. Its quality control service provides information to the staff and monitors and controls the fulfillment of legislative requirements and the quality of medical services.

It is noteworthy that the clinic carries out investments regularly, and is one of the largest contributors to the state budget.

At the 2017 Georgian Times and GORBI business awards The Archangel St. Michael MultiProfile Clinical Hospital won prizes for offering a full range of medical services, being the largest taxpayer in its field, providing the best continuation of traditions and using ground-breaking technologies. Here its Director **Zurab Utiashvili**, talks about its activities.

Archangel St. Michael MultiProfile Clinical Hospital has been recognised by The Georgian Times and GORBI as one of the most successful medical institutions. How important is such recognition for you?

This award and recognition, especially from such highly regarded organisations as The Georgian Times and Georgian Opinion Research Business International, are of great importance for us. However, we believe this award was not bestowed by chance or is groundless; it is the product of our tireless work throughout the year. The clinic implemented a lot of innovations in 2017, opening new sections and employing many people.

We now have an emergency service, a cardiac surgery division and a new cardiology division which conducts interventional surgery. A cardiac operating room and cardiac surgical reanimation centre, with 6 bed spaces, have also been opened.

Can you specify what kind of medical services you offer your patients?

We have a high level reception unit, staffed with highly qualified personnel who have completed special training. Any patient in need of urgent help can visit us with confidence. We can provide medical services in any field.



In addition to the sections mentioned we have a toxicology division and neurology and neurosurgical sections. We also offer therapeutic services such as chemotherapy to oncological patients. Complicated oncologic surgeries are also performed here.

We have highly qualified doctors in this clinic, including the well-known Georgian professors **Amiran Antadze**, **Teimuraz Sesitashvili** and **Akaki Saeishvili**. Our emergency division is headed by Professor **Zaza Lursmanashvili**.

We plan to expand our urology section in the near future and enhance our laparoscopic surgery division. As medical institutions need to be improved year on year, we have ongoing programmes of regeneration in the clinic, covering all areas from equipment to services.

What is the visiting card of Archangel St. Michael MultiProfile Clinical Hospital, and why do patients trust it?

We try to identify and take into account every single problem of every patient. There have been cases where patients have not been able to cover all expenses, but we have not forced them to take loans from the bank in order to pay within a short time-frame. On the contrary, we have offered them extension of payment dates in co-funding situations. The main part of all treatment is financed by the state, and free of charge

with us.

What kind of social projects do you conduct, and for whom?

We offer free consultations every month, which can be enjoyed by any person are not just for specific beneficiaries. For instance, we provided free oncology consultations for a fortnight. Professor **Archil Aladashvili** offered these and many took advantage of them.

How far does state policy in the field of medicine assist your development?

The universal insurance policy, launched in 2013, has helped all medical institutions across Georgia to develop. The majority of patients, those who could not afford to visit a doctor due to lack of material resources, can now visit a clinic. This is a big stride forward, because previously, when a patient could not visit a doctor due to lack of funds, he might never have seen a qualified doctor. This situation also meant that the majority of doctors had to go abroad to work, but now these professional doctors are working here in Georgia because they have acceptable remunerations.

As a result of the universal insurance programme numerous new clinic have opened as demand has increased. We are actively involved in the universal insurance programme and will continue to be so. We can say that the state is a most reliable partner today.



Black Sea University Seeks to Partner With the World



Black Sea University has maintained its place amongst Georgia's leading higher educational institutions for many years through its modern teaching methods, accredited programmes, highly qualified local and international staff, high quality education and high graduate employment rates.

Both Georgian and English language educational programmes are available. Over 200 international students from 27 countries receive a quality education alongside Georgian students.

Black Sea University has been a partner of the Georgian Times and GORBI Business Awards for several years. This year it has won three awards in the partners category - for innovative educational standards, qualified staff and student choice. Here the Georgian Times interviews its Rector, Professor Ilyas Ciloglu.

What do these awards mean to you?

These awards are very important for us, and we are happy to be included amongst the best companies of 2017. This is a stimulus for us to continue achieving our goals with redoubled strength.

Black Sea University was founded in 1995 and soon became a successful university. But there are many higher educational institutions in Georgia, so what makes your university different from others?

Black Sea International University was the first educational institution in Georgia to develop an English language curriculum. Teaching in English has played a significant role in the internationalization of the university. We have been using international teaching methods and foreign language literature for a number of years, and working with different universities worldwide since the day of establishment.

A wide choice of exchange programmes enables our students to receive education in the leading universities of Europe, the USA and Asia. Our multicultural environment (students from 27 countries) and foreign language professors help students make

contact with all parts of the world. The university offers different language courses as supplementary subjects to its students (English, Chinese, German, French, Spanish, Russian, Polish, Turkish).

Our Career Planning Service has been operating since 2000, with the aim of securing the employment-internship of students and graduates. We cooperate with leading local and international companies. Joint projects are planned, and students selected by the companies are employed successfully.

A two day seminar organised by the German Institute for Foreign Cultural Relations was recently held. What was the aforesaid seminar about and why was it held?

Representatives of the Civic Institute visited the university with the financial support of the Ministry of Foreign Affairs of Germany. During this event, a training seminar for students on the issues of democracy, public involvement and pluralism was held.

Similar activities are often held in the university. For instance, during the current academic year, we hosted foreign specialists from The Netherlands, Germany, Italy, Portugal, Poland, the United States of America, Hungary, the United Kingdom and Spain.

These events help students expand their international knowledge and experience. Lecturers and students share their experience and views.

Student exchange programmes are available at your

university and you have memoranda of mutual understanding with leading higher educational institutions in more than 90 countries. How many students have already benefited from such exchange programmes?

Approximately 80 students each year benefit from these exchange programmes. They allow students to receive a multifaceted international education and improve their professional skills. Both Georgian and foreign students enjoy student exchange programmes - we have hosted more than 100 international students from our partner universities.

What are your future plans?

The University intends to strengthen its research component, with the support of the Ministry of Education and Science of Georgia. We have gained access to the scientific database of Clarivate Analytics which will help students perform qualified research works. We also plan to implement joint programs with the world's leading universities; we are going to increase number of student exchange programmes, add new programmes, strengthen our partnerships with local and international companies and enhance our existing programmes through the participation of foreign professors.

We also plan to complete building the campus and renew the material-technical base of the university. This will allow us to further increase number of students and enhance quality education even further.



Lali Moroshkina: Today I can proudly say that Le Garage is the favourite haunt of foreign visitors to Kutaisi and the whole of Imereti



Glamorous restaurant, ice bar, night club, gallery, quality entertainment and eccentric parties - all these are available at Le Garage Group. Le Garage Group was opened at 40 King Tamar Street in Kutaisi just a while ago, and has already gained wide traction, pampering the residents of West Georgia with eccentric parties and events. This despite the fact that the building the club is based in is included in the list of UNESCO heritage sites.

Having moved from journalism to politics and then into business, she attended this year's event as a businesswoman and honoured guest.

Le Garage Group won an award for regional lobbying for business. Here the Georgian Times interviews Lali Moroshkina, co-owner and project author of the club.

Although Le Garage opened just a while ago it is already very popular and has been named as amongst the best Georgian companies of 2016-2017. How important is such recognition for you?

It is very important, and I will tell you why: Le Garage is a regional development project which employs young people from Kutaisi: painters, musicians, managers, cooks, bartenders and service personnel. It goes without saying that it is easier to run a business in the capital city, so it requires great effort and hard work to involve local residents in such a project. This award is a matter of great encouragement!

The club combines four entertainment areas designed for different age groups. What kind of novelties would visitors find which make it different from other entertainment venues?

In the first place, our restaurant-gallery hosts exhibitions all year round. For the opening it showed the works

of Guga Kakabadze, and at present the paintings of various talented Georgians are on display. The creations of Georgian Artists Union members Giorgi Gamtenadze, Romeo Lekveishvili, Aslan Mushkudiani and Giorgi Kvavadze can be viewed with a cup of coffee and delicious food.

In the evenings, the artists' creations are accompanied by musical aesthetics. Visitors can attend virtual performances by talented young musicians Ketevan Svanidze (violin) and Giga Gigolashvili (piano).

The Ice Bar - is intended for fans of chilly and snowy landscapes, while our night club is the first in the Imereti region. Those who are aware of the "Berlin"-type night clubs, with their 11 metre bars and two dancing areas will definitely appreciate this place. Its blend of classicism and modernity, sophisticated design and harmonious music has already made it the favourite place for Kutaisi nightlife.

This club was your idea. Why did you decide to open such a facility, and why in Kutaisi?

I particularly like working in the regions. I have been giving lectures in the universities of Akhaltsikhe, Batumi,

Gori and Kutaisi for 15 years. I am well aware of the fact that young people feel there is a lack of tasteful entertainment options. The new adult generation is innovative, talented and creative, so they should not need to go to Tbilisi for entertainment. This building is a historic one in the centre of Kutaisi, everyone calls it the Lion House. It was a dirty, unattractive place before, but now it has gained new life!

Investors have expressed a desire to finance the project and help renovate the city. I hope other cities will pursue our path and revive their abandoned historic buildings.

As the population of Georgia is not used to entertainment amenities outside Tbilisi, how have local residents accepted the club?

Today I can proudly say that Le Garage is the favourite haunt of foreign visitors to Kutaisi and the whole of Imereti.

Do you plan to add some more features, and can you expand on future plans?

I am planning to organise a big festival in spring, when Kutaisi is sunk in the scent of roses, but its content is secret for now...





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Top Companies

