

NEW LOCATION SAME OBJECTIVES



ANNUAL REPORT 2016

By uniting member companies
and through close cooperation
with the Government of Georgia,
international, and local partners,

We Improve Business Environment

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George Chirakadze, President
Business Association of Georgia

Dear members of the Association, representatives of the Government and partner organizations, traditionally, at the end of 2016, I have the honor to welcome you and present the Annual Report of the Business Association of Georgia - together with you, I would like to summarize the steps that were taken towards the improvement of business environment in the past year, and expected future challenges.

I am glad to announce that 2016 has been another successful year for the Association, which is achieved through the effort of each member of the organization, management boards, committees and the executive team, for which I would like to thank each of you. Through working individually and collectively, we, the members of Business Association of Georgia revealed the issues that are relevant for private sector, raised them in front of the Government and economic policy actors/makers, and played an important role in making an optimal decision.

The most vivid result of our joint efforts is the implementation of Income Tax Reform in 2016, which is one of the biggest reforms carried out in Georgia, and we can proudly say that it has its roots in the Business Association of Georgia. We are still working on the improvement of the new legislative changes resulted from the reform.

We achieved these results through close cooperation with the government's economic team. In 2017, the association will still perform its binding function, which is important not only for private sector.

In 2017, the country will have to respond to many challenges, such as economic growth, a stable macroeconomic environment, fiscal soundness, and a reasonable legal and regulatory framework. Business associations will have a growing role in this regard, since based on our experience, we know exactly what obstacles will be encountered by private sector and what steps shall be taken to improve the business environment. Together, we will be able to deal with these challenges through sharing our opinions, knowledge and experience.

I would like to wish everyone a successful start into the upcoming 2017 year. Our country has the potential to move forward and I wish for all of us to use this potential in the best possible way in 2017. I wish you a happy new year and a great success,

Sincerely



Soso Pkhakadze, First Vice President
Business Association of Georgia

Dear readers, another year has passed. It is such a great feeling to know that, during the past year, our organization accomplished number of new and beneficial actions. During a one-year period, the Business Association of Georgia has further increased and strengthened. The fact is that, our organization, once established with great enthusiasm and hope, is becoming institutional.

Each year, the Business Association of Georgia is joined by new members and companies, which are introducing the best practices and promoting the development of business in different areas. In total, we cover up to 200 companies. Total annual revenue of these organizations is more than 7 billion GEL. This means that the Business Association of Georgia represents the largest part of the country's economy.

I am glad that the private sector is becoming more and more aware of the importance of the business association and of the need for advocacy. It should also be emphasized that our most important partner, the Government of Georgia, demonstrates readiness towards cooperation and discussion more and more each year. I believe that proper and effective communication will bring many benefits for our country.

Georgia still faces a lot of challenges. The environment is quite fragile and despite the success achieved by Georgia in different areas, it's still far from the point which is stable and from where it will be extremely difficult to go backwards.

This is why it is essential to be involved in the economic processes, in the discussion of the economic policy, and the legal and regulatory acts. This is exactly what the Business Association of Georgia is aiming at. Currently, our organization is one of the best and most powerful platforms for the promotion of private sector development.

I hope that the next year we will be striving for the improvement of business environment with the same enthusiasm and diligence and that the private sector will be more involved in the process of discussing-initiating significant issues.

Sincerely,



Lasha Papashvili, Vice President
Business Association of Georgia

The Annual Report 2016 of the Business Association of Georgia will give you a clear overview of the scope of works that have been performed by us in the previous year. You will be made aware of the new services that our members will receive from the Association.

Today Georgia faces complex challenges; one of the main challenges is growth of the GDP and export, its diversification. These objectives and economic growth will remain unattainable goals, if the lack of intellectual capital is not overcome.

The private sector faces many difficulties in finding qualified employees with appropriate skills and knowledge. In some sectors, such as civil engineering, agriculture and food technology, it is almost impossible to find and employ local qualified specialists. Current education system fails to produce highly qualified professionals, which is why private sector resources are spent on expensive foreign consultants.

I hope that development of vocational education and its compliance with the requirements of the market will be one of the priorities for the Government, as well as for donor organizations in 2017. This structural reform will create a sustainable basis of competitiveness of Georgia, our society and economy relative to developed countries.

I wish you all a happy and successful New Year!

Sincerely,

SUPERVISORY BOARD

- Chirakadze George**
Chairman of Supervisory Board of the Business Association of Georgia
UGT
- Pkhakadze Soso**
First Vice President of the Business Association of Georgia
Wissol
- Papashvili Lasha**
Vice President of the Business Association of Georgia
Redix
- Bakhtadze Mamuka**
Georgian Railway
- Devadze Giorgi**
Sun Petroleum Georgia
- Gegenava Archil**
Foodmart
- Gegechkori Giorgi**
RAKIA
- Kikvadze Zaza**
IDS Borjomi Georgia
- Kiladze David**
GPC
- Kontselidze Archil**
VTB Bank
- Kurtskhalia Giorgi**
Magistyle
- Kvaratskhelia Giorgi**
Lilo Mall
- Tkeshelashvili Giorgi**
Mobitell

COMMITTEES

- Tax and Customs Committee - Chairman: **Zurab Lalazashvili**, BDO's Managing Partner in Georgia
- Finance Committee - Chairman: **Vakhtang Butskhrikidze**, TBC Bank CEO;
Deputy Chairman: **Lasha Bzarashvili**, CEO of 4Finance Georgia
- Legislative Framework Development Committee – Chairman: **Lasha Nodia**, Founding Partner of Nodia, Urumashvili and Partners
- Agricultural Development Committee - Chairman: **Giorgi Margvelashvili**, President of Tbilvino
- Energy Committee - Chairman: **Zurab Gelenidze**, Financial Director of Georgian Industrial Group
- Tourism Development Committee - Chairman: **Giorgi Marr**, Director of Silk Road Group - Real Estate
- Environment Protection Committee - Chairman: **Irakli Nozadze**, Environmental Director at Georgian American Alloys

BOARD OF TRUSTEES

- Bezhushvili David**
Georgian Industrial Group
- Chirakadze Giorgi**
UGT
- Darchiashvili Gocha**
GD Group
- Ghambashidze Giorgi**
Geospirtprom
- Gilauri Irakli**
Bank of Georgia
- Gurgenidze Vladimer**
Liberty Bank
- Iakobashvili Davit**
Petrocas Energy Group
- Khazaradze Mamuka**
TBC Bank
- Kokhodze Temur**
Tegeta Motors
- Kurtanidze Paata**
Aversi
- Makatsaria Khvicha**
Caucasus Online
- Nishnianidze Zaza**
Sharmtrading
- Okriashvili Kakhaber**
PSP
- Papashvili Lasha**
Redix
- Pipia Roman**
Azoti
- Pkhakadze Soso**
Wissol
- Ramishvili Giorgi**
Silk Road Group
- Somkhashvili Tamaz**
Ideco
- Tavadze Giorgi**
Sante GMT Products

EXECUTIVE TEAM

- Irakli Aslanishvili**
Chief Executive Director
- Irina Kvakhadze**
Deputy CEO
- Nika Nanuashvili**
Legal Analyst
- Shota Komladze**
Tax and Customs Manager
- Nana Tsertsvadze**
Manager of Sector Development
- Mariam Sparsiashvili**
Advisor to the CEO in Public Relations
- Iza Lomidze**
Accountant
- Natia Bantsuri**
Economist
- Teona Zakradze**
Executive Assistant
- Kakha Keadze**
Logistics Manager
- Ucha Chakhvadze**
Intern Lawyer

BUSINESS ASSOCIATION OF GEORGIA IS REPRESENTED IN

- ▶ Investors Council
- ▶ Ministry of Justice of Georgia, Interagency Coordination Council for the Commercial Law Reform
- ▶ Ministry of Finance, Dispute Resolution Council
- ▶ Ministry of Agriculture, Grant Committee
- ▶ The National Tripartite Council for Social Dialogue within the Ministry of Labour, Health and Social Affairs of Georgia
- ▶ Solidarity Fund, Supervisory Board and Permanent Council
- ▶ Georgian Chamber of Commerce and Industry, Supervisory Board
- ▶ World Bank Private Sector Liaison Officers Network (PSLO Network)
- ▶ Millennium Challenge Corporation - Georgia, Advisory Council
- ▶ Ministry of Justice of Georgia, Georgian Anti-corruption Council
- ▶ Ministry of Justice of Georgia, Working Group on the Revision of National Anti-Corruption Strategy and 2014-2016 Anti-Corruption Action Plan
- ▶ Anti-Corruption Network of the OECD, Advisory Council working on business integrity issues;
- ▶ Ministry of Education and Science of Georgia, Employment and Vocational Education and Training Coordination Council
- ▶ Ministry of Environment Protection and Natural Resources of Georgia, Advisory Board
- ▶ Ministry of Finance of Georgia, Revenue Service, department of Customs, Advisory Council
- ▶ Ministry of Economy and Sustainable Development of Georgia, Advisory Council working on the trade issues
- ▶ Ministry of Economy and Sustainable Development of Georgia, Private Sector Advisory Board
- ▶ EU-Georgia Association Agreement's subchapter, Advisory Group working on trade and sustainable development
- ▶ Georgian National Agency for Standards and Metrology, committee about tourism and related services
- ▶ Accounting, Reporting and Audit Council, Supervisory Board
- ▶ Advisory Body to the Chairman of the Competition Council

COMMITTEES' WORK

Business Association of Georgia has seven committees: Tax and Customs, Finance, Legislative Framework Development, Agricultural Development, Energy, Tourism Development, and Environment Protection. Committees are established according to the needs of the members of the Association. Committee is a platform that allows members to raise issues and discuss ways of solving them together with colleagues, submit recommendations to the government, and advocate the issues.



TAX AND CUSTOMS COMMITTEE

CHAIRMAN: Zurab Lalazashvili
BDO's Managing Partner in Georgia

The Committee was established in 2009 and since then has been protecting the interests of the Business Association of Georgia's member companies in terms of taxation and customs. The Committee cooperates with the Ministry of Finance, Revenue Service and other relevant state agencies. Members of the Committee convene quarterly and, if necessary, additionally. Tax and Customs Committee is actively involved in the preparation of comments and recommendations on the Income Tax Reform.



FINANCE COMMITTEE

CHAIRMAN: Vakhtang Butskhrikidze, *CEO of TBC Bank*
DEPUTY CHAIRMAN: Lasha Bzarashvili, *CEO OF 4FINANCE GEORGIA*

Finance Committee was established in 2010. During the last three years, the Committee has been engaged in key areas, such as the development of private pension system and capital market development. For this purpose, Committee held a number of sessions in 2016, invited authorities working on Pension Reform and reviewed the proposed concept together with them. Finance Committee will continue working on these issues in 2017 and will discuss the reform-related issues with the government.



LEGISLATIVE FRAMEWORK DEVELOPMENT COMMITTEE

CHAIRMAN: Lasha Nodia
Founding Partner of Nodia, Urumashvili and Partners

Legislative Framework Development Committee was established in 2011 and it is aimed at analyzing legislation and identifying legislative flaws in the field of business environment, as well as developing recommendations. In 2016, Committee prepared comments on important issues such as Labor Code, the rights of consumers and amendments made to the Law on Entrepreneurs. More detailed information on the advocacy campaigns conducted on these issues is given in the section "Advocacy 2016".



AGRICULTURAL DEVELOPMENT COMMITTEE

CHAIRMAN: Giorgi Margvelashvili
President of Tbilvino

Agricultural Development Committee was established in 2011 for the purpose of promoting the reform in this sector and improving the agricultural legislation framework. Committee surveys the existing obstacles in this sector, discusses them with decision-makers, and develops recommendations.



ENERGY COMMITTEE

CHAIRMAN: Zurab Gelenidze
Financial Director of Georgian Industrial Group

Energy is a priority sector of Georgian economy. Important part of the country's GDP is on the energy sector's account. At the same time, the sector is the solid basis for the country's sustainable development and ensures irreversibility of the chosen course. Energy remains the most attractive place for investment and the key indicator for business development. This is why the Energy Committee was established in the Association in 2015.



TOURISM DEVELOPMENT COMMITTEE

CHAIRMAN: Giorgi Marr
Director of Silk Road Group - Real Estate

Development of Tourism Sector is one of the priority tasks of BAG. In addition, many members of BAG have direct and indirect interest in tourism. Given this interest, Tourism Development Committee was established in 2015. The primary activities of the committee is working on the improvement of the investment climate, legislative and regulatory environment, revealing development obstacles and other problematic issues in tourism infrastructure and working on the solutions.



ENVIRONMENT PROTECTION COMMITTEE

CHAIRMAN: Irakli Nozadze
Environmental Director at Georgian American Alloys

Environment Protection Committee was established in 2016 in the Business Association of Georgia. Committee is aimed at identifying the problematic issues in the field of environmental protection, analyzing and determining the ways of solving them, and developing the legislative initiatives. One of the objectives of the Committee is to inform Association member companies on existing and planned legislative initiatives. In order to create an effective and flexible environmental legislation, the cooperation between business and State Authorities is necessary and one of the mechanisms to do this is an active work of the committee, which involves both, local and foreign experts.

2016 ON SEVERAL PAGES

Irakli Aslanishvili
Chief Executive Officer



At the end of this year, I am pleased to welcome you from a new office of the Business Association of Georgia. New opportunities came with the new office: from today onwards, we can offer additional services to member companies: we have a fully furnished room for member companies, a conference hall and two meeting rooms. From 2017, these services will be fully available to our members. So, dear colleagues, we would like to welcome you to our association, we would be happy to host your events and meetings. As for the other latest news and projects of 2016, they will be discussed in detail in the next pages. This year, traditionally, was quite eventful: Business Association of Georgia held a number of meetings with the government, and worked on the tax and other legislation. In order to protect the private sector's interests, Business Association of Georgia uses all available platforms, including television, internet and print media. We discussed issues that are of a concern to business in all leading media outlets in order to provide society with detailed arguments on them.

In parallel to advocacy, a number of analytical reports on a variety of topics have been prepared in 2016. The goal of our analytical work is to create basis for rational and reasonable discussion on economic and business issues.

In addition to the analytic reports, the articles are published on BAG's blog that respond to economic issues, such as Draft Law on the Protection of the Rights and Interests of Consumers, energy infrastructure, the sharp depreciation of the exchange rate of GEL at the end of the year.

I believe that a beneficial outcome of the BAG's activities is conditioned by this complex work. This year was interesting in terms of social responsibility as well. Business Association of Georgia has funded the restoration of the halls of House of Writers.

Plans for 2017 are not less interesting. Private sector needs assessment, advocacy campaigns, executing our social responsibility in the most proper field - in education sector. As you see, besides summarizing the achievements of 2016, we are also marking the upcoming new 2017 year.

I wish you all the success!

Sincerely,
Irakli Aslanishvili

Total Annual Turnover of the BAG's
member companies above

7 000 000 000 GEL

Total payment to budget exceeds

1 000 000 000 GEL

Directly or in the form of groups,
the Association comprises

up to **200** companies

The member companies employ

more than **100 000** people

DIALOGUE ON ECONOMIC AND BUSINESS POLICY 2016



COOPERATION WITH THE GOVERNMENT

Business Association of Georgia is a platform enabling member companies to meet with the representatives of the Government of Georgia and openly discuss with them problematic issues, existing business policy, and economic decisions. In 2016, the following meetings were held:

- ▶ With the Prime Minister of Georgia, Giorgi Kvirikashvili

- ▶ With the First Vice Prime Minister and the current Minister of Finance of Georgia, Dimitri Kumsishvili
- ▶ With the former business ombudsman and the current Minister of Economy, Giorgi Gakharia
- ▶ With the Ministry of Finance of Georgia
- ▶ With the Revenue Service
- ▶ With the Mayor of Tbilisi and other representatives of the City Hall
- ▶ With the President of National Bank, and etc.

INVESTORS COUNCIL

The Business Association of Georgia uses all possible platforms to discuss private sector-related issues with the government. Therefore, Business Association of Georgia is a permanent member of the Investors Council since 2015. Investors Council has been established with the support of the European Bank for Reconstruction and Development (EBRD). Its members are the major business associations operating in Georgia. The Council holds quarterly meetings with the Prime Minister and the government's

economic team. It raises urgent issues before the Prime Minister and provides recommendations to the Government for solving them.

In 2016, 4 meetings were held, during which the Business Association of Georgia raised important issues, such as the Income Tax Reform, defining tax evasion and tax avoidance, partial decriminalization of tax offences, establishment of a Regulatory Impact Analysis, improvement of tax administration and other.





DISCUSSIONS WITH THE INTERNATIONAL PARTNERS

International financial organizations play an important role in determining the country's economic policy. Therefore, the Business Association of Georgia periodically invites them to meet with the member companies. Our member organizations have the opportunity to meet with the representatives of the European Bank for Reconstruction and Development, the World Bank, the International Monetary Fund, the International Finance Corporation and other major international financial organizations. During the meetings these organizations are assessing the country's economic situation, discussing the projects to be implemented in Georgia and their consequences for private sector.



CONFERENCES FOR ADVOCACY

Another way of discussing advocacy related issues and reconciling the positions of the interested parties is to hold conferences.

GEORGIA'S ECONOMY AND BUSINESS ENVIRONMENT - ACHIEVEMENTS AND CHALLENGES

In 2016, the Business Association of Georgia and partner organizations held the conference - "Georgia's Economy and Business Environment - Achievements and Challenges." The conference was attended by the former Prime Minister of Georgia, Bidzina Ivanishvili. The conference was also attended by businessmen and experts, as well as by the members of the Cabinet of Ministers, including the First Vice Prime Minister, Minister of Economy and Sustainable Development and Minister of Agriculture. At the conference, representatives of business sector had an opportunity to obtain detailed information about the economic indicators and assess them; they also raised and discussed topical issues, such as abolition of police eviction mechanism, draft law on the Protection of the Rights and Interests of Consumers, regulations related to the agricultural achievements, significant flaws in the judicial system and other.



ADVOCACY 2016



INCOME TAX REFORM

Last year was particularly important in terms of advocacy for the Business Association of Georgia. The process of advocating the income tax reform was successfully completed in 2016. Since 2017, income taxes will not have to be paid on undistributed profits in Georgia. This reform was initiated and greatly supported by the Business Association of Georgia. A number of consultative meetings with legislative, executive government and partner international organizations were held within the framework of the reform advocacy process. We were involved in the

preparation of legislative amendments required for the reform.

Two extended sessions of the association's Tax and Customs Committee were dedicated to discussing the reform. These sessions were attended by the representatives of the Ministry of Finance. For the discussion of the reform Association used all the media outlets and took part in all the TV and radio discussions dedicated to this topic. In addition, Association published articles in the print media, in leading publications, such as Forbes Georgia.

DRAFT LAW ON THE PROTECTION OF THE RIGHTS AND INTERESTS OF CONSUMERS

In 2013, draft Law on the Protection of the Rights and Interests of Consumers was initiated by the EU Integration Committee of the Parliament of Georgia. In 2016, Association further strengthened its work in this direction. In particular, a detailed comparative analysis with the national and international legislation was prepared; on the basis of this document, a number of consultation meetings were held with the authors of this draft, the parliamentary committees and interested organizations; there was a direct communication between the high-ranking officials of the executive and legislative authorities, and Head of the Government.

Business Association of Georgia has discussed this topic in TV and radio programs, Forbes Georgia, print, and Internet media.

All the concerned parties agreed to carry out the regulatory impact analysis and to take next steps only after the results are obtained.

ABOLITION OF THE SO-CALLED POLICE EVICTION MECHANISM

Abolition of this mechanism adversely affected the private sector and, of course, the business association used all its available resources to cope with it. A detailed legal analysis has been prepared and distributed to all interested parties. We held a series of consultations with the government and the authors of the draft law, and we participated in the committee hearings; we had direct communication with the government officials and head of government in open and closed formats. We used the TV and radio programs to discuss the issue.

As a result of our efforts, a sharply negative position was formed in the executive branch of the government, non-governmental sector and international financial institutions. Legislative amendment was challenged in the Constitutional Court by us; and finally, the government's economic program reflected the promise of the restoration of the police eviction.





TAX AUDITS

Business Association of Georgia worked on the improvement of tax audit mechanisms within the investors council. We have analyzed the tax audit-related information provided by the Department of Revenue Service. The information covered the number of tax audits (desk and field) conducted by the Department of Audit, violations identified, and fines imposed, duration of the audits and the bank account seizures during the tax disputes. A number of meetings on this issue were held with the authorized representatives of the Department of Revenue Service. The Association's Tax and Customs Committee session was also held.

As a result, the Department of Revenue Service will approve the Regulation on the audit process, which

will specify the terms and conditions of the audit process, thus making the process, as well as the relationship between the auditor and the company's representative, more open and flexible. In May 2016, with the efforts and direct support of the Association, amendments have been made to the Tax Code of Georgia, under which the seizure of the Bank Account of a company / taxpayer during the tax dispute is prohibited without a court decision.

In addition to the above listed issues, the Business Association of Georgia has worked on the following issues in 2016: Labor Code and labor inspection; Occupational Safety and Health Act; Amendments

made to the law on insolvency, Civil Code and Code of Procedure; Establishment of commerce chambers/ boards in general court system; Development of alternative means of dispute resolution (arbitration, mediation); Offloading the court from minor cases; Mortgage issues and the model for preventing the violation of rights to immovable property; Practical shortcomings of accounting the material inventory in retail; simplifying the accounting of the losses created during drying of the product, its taxation and mixing of qualities; and etc. Association will continue to work on these issues in 2017, as the final decisions have not yet been made.



7 NEW MEMBERS JOINED US IN 2016



INTERNATIONAL CORPORATION
საერთაშორისო კორპორაცია აი სი არ



ANALYTICS 2016

Business Association of Georgia pays special attention to the development of analytical activities within the organization, as, in the advocacy process, it is of great importance to formulate a position on the basis of analysis of environment, facts and world best practices. A periodic publication on the economy and its sectors is one of the components of analytic work. The 2016 was quite fruitful in this regard. You will find following publications on our webpage:

ECONOMY IN BRIEF

Quarterly review of the country's economy

MOSAIC

Series about business environment in Georgia and in the region; the following reports have been published:

Mosaic: Taxes – Georgia and the World

Mosaic: End-User - Population and the Government

REVIEW OF THE ENERGY SECTOR

What is the current state of energy sector in Georgia, does it respond to the requirements of the country's economic development and what are the alternatives for developing the sector? You can find the answers to these questions in the report prepared by the Association.

THE OBSTACLES TO THE DEVELOPMENT OF TOURISM IN GEORGIA

Tourism is one of the fastest growing sectors in Georgia. The members of the association are involved in the field and hence, our interest in the sector is high. For this reason we decided to research what factors hinder the development of the sector and what should be considered in policy-making process;

GEORGIA IN INTERNATIONAL RATINGS

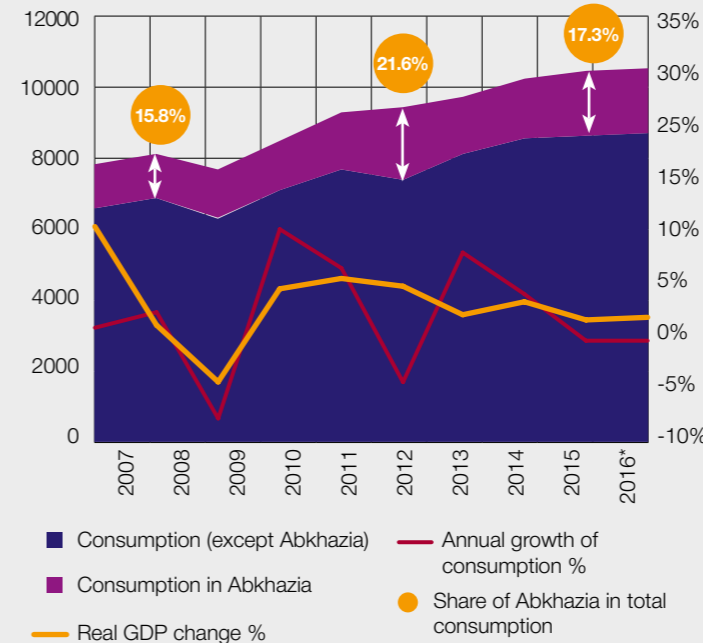
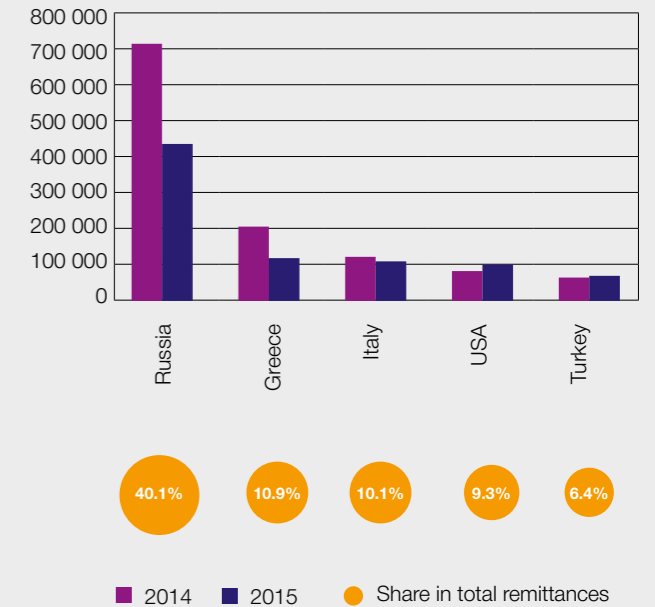
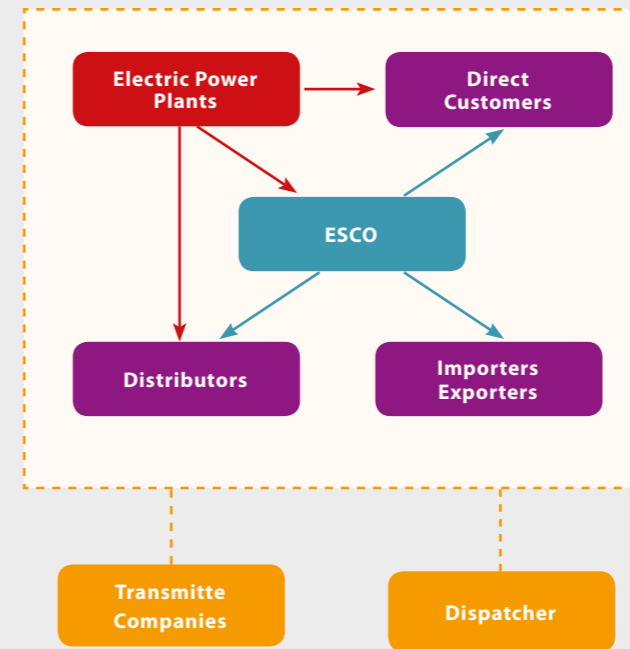
This report aims to help our member companies and any other interested party in investor relationships and to localize Georgia on the World economy map. Report reviews positions of Georgia according to various international ratings.

We plan to publish reports on many other interesting and important topics. Visit our website and read our publications!

OUR BLOG

BAG's blog is a place to learn more about issues relevant to business and economy: Consumer rights - does the proposed bill bring us closer to the European Union? Energy sector - do we need power plants, large or small? And many more.

Visit our blog at: www.bag.ge/ge/blog. Read opinions, articles on topics directly related to the private sector, leave comments, and join the discussion.





PARTNERSHIPS IN 2016

In the advocacy process, Business Association of Georgia cooperates with many parties, including non-governmental organizations, research centers, international financial institutions and donor organizations. In addition to local partners, the association has partners in the international arena as well.

In 2016, BAG has further strengthened its international relations and signed the Memorandum of Cooperation with the International Trade Department of China's Jiangxi Province. Jiangxi is the largest province in China. For Georgia, it is an important trade partner and therefore, this memorandum will further promote business relationships between Georgia and China.

Furthermore, since 2015, the Business Association of Georgia is a partner of France's largest business association - MEDEF International. This organization brings together up to 800 000 French companies in order to protect business interests.

Besides, it has been already four years that the Business Association of Georgia became the only representative of the World Bank Private Sector Liaison Officer Network in the Caucasus. This network enables us to contact with a similar business associations around the world and, if required, get needed information from them, share the experience or assist our members in establishing necessary partnership relationships.





SOCIAL RESPONSIBILITY IN 2016

Irina Kvakhadze
Deputy Executive Director

Business Association of Georgia is an organization with a strong sense of social responsibility. From year to year, we make every effort to contribute to dealing with acute and pressing problems of the society, and also to solve the issues necessary for the development of our country.

So far, Business Association of Georgia has been involved in a number of social initiatives, or has been the initiator of similar projects.

Business Association of Georgia accumulated up to 1 million GEL for the assistance of the families of soldiers deceased during the 2008 August war. This financial assistance was equally distributed among more than 400 families.

Association also made its contribution to overcome the consequences of the flood of June 13, 2015. With the support of Association, the private sector gathered more than 5 million GEL, which has been spent on the victims' families, as well as on the infrastructure.

In 2016, Business Association of Georgia took the initiative of fund mobilization for rehabilitation of David Sarajishvili's room located on the second floor of the writers' house and its attic floor.

As for 2017, we think that, this year, our resources will be allocated to the most important sector for the development of our country – to education. Therefore, in 2017, with the support of BAG, students from business and economy related fields will have the opportunity to attend workshops conducted by the country's leading entrepreneurs and managers. In addition, we will also allow newly emerged entrepreneurs to learn about the experience of experienced entrepreneurs, to receive advice, and discuss the risks and opportunities together with them.

Business Association of Georgia performs its social role with a special responsibility and strives to be an organization with a distinctive corporate culture and social responsibility.



ON DECEMBER 8, 2016, BAG OFFICIALLY OPENED ITS NEW OFFICE



YOUR ROOM IN THE ASSOCIATION



Since 2017, representatives of BAG's any member company will have the opportunity to use the Member Room in our new office, which is located on Leonidze Street №2. A comfortable, cozy and fully equipped room is waiting for you. You are welcome to visit our office at any time. Use the room for meeting with partners and working. For reservation, call or email us: info@bag.ge; 995 322 202 215

CONFERENCE ROOM



Our new office provides other new opportunities as well: Are you planning to organize a large meeting and seeking for a conference room? Business Association of Georgia will host you in its own conference room of the new office, which is located on Leonidze Street №2. Conference room is fully equipped technically, and has a high-quality audio-video system. Two additional meeting rooms are also available for our members. For details, please contact us: info@bag.ge; 995 322 202 215







AGARA SUGAR COMPANY

www.agara.ge

Agara Sugar Company is the only enterprise in Georgia, which processes and produces white sugar. Since its establishment (1932), the factory produces white sugar according to the norms set by the state standards. Agara sugar factory operates 24 hours a day and 530 people are employed there. Daily production capacity of the factory is 600 tons of white sugar, while the annual production capacity is 150 000 -160 000 tons of white sugar. The company's annual contribution to the state budget in the form of various taxes amounts to about 21 million GEL.



ARCHI GROUP

www.archi.ge

Archi Group was established in 2006. Initially, the company concentrated on investment and consulting, and since 2008 it has actively entered Georgia's real estate development market. Archi Group is among one of the first companies to take quality construction and ecology seriously. Only energy efficient materials are used during construction. Archi Group implements construction projects in almost all districts of Tbilisi. Large scale projects are underway in the central neighborhoods of the capital city, one of them being a multifunctional residential complex - Archi Tower - on Chavchavadze Avenue. The company owns a network of already operational hotels such as: Sunset Kvartali – the hotel style elite apartments in Kvartali, Sunset Shovi – the first four-star hotel in the resort of Racha, Shovi and in Old Tbilisi, a boutique style hotel "Silver 39" is being constructed.



AVERSI

www.aversi.ge

Pharmaceutical company Aversi was founded in 1994. Initially the Company imported the medicines. However, the company gradually expanded its scope of works. Today, Aversi is one of the largest pharmaceutical companies not only in Georgia and the South Caucasus, but in the post-Soviet region as well. The network of Aversi pharmacies includes 213 branches. In addition, some ten years ago, founder of Aversi initiated the construction of a world-class enterprise Aversi-Rational and today, the company's products compete with the production of the world's pharmaceutical brands not only in our country, but also in Azerbaijan, Armenia and Ukraine. A large-scale project - Network of Aversi Clinic was also initiated by the founder of Aversi. Aversi Clinic owns 9 medical institutions across the country. Besides, Aversi is the founder of insurance company Alpha. Aversi is also known with its charitable activities. Support and assistance of socially vulnerable people is Aversi's social responsibility.



AZOT

www.azot.ge

With a half-century experience, chemical enterprise Azot is the only manufacturer of nitrogen fertilizers in the region of South Caucasus. In addition to nitrogen fertilizers, ammonia, cyanic sodium, nitric acid, ammoniac water and other products are also produced. The enterprise is the major supplier of nitric fertilizers in South Caucasus countries and a home market of Georgia. Countries of the Black Sea and Mediterranean basins are the consumers of production of the enterprise Nitrogen. In the past years the company has received the patents for inventions which allow improvement of technical and economic parameters of manufacturer and increase of quality of production according to the requirements of the consumers. Today more than 2 thousand people work at the enterprise Nitrogen. Azot of Rustavi is the first and the largest industrial enterprise in Georgia.



BANK OF GEORGIA

www.bog.ge

Bank of Georgia is the leading bank in Georgia, with more than a third of the market share based on total assets, total loans, total deposits and total shareholders' equity and serves 2.0 million customers' accounts. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients. Bank of Georgia has more than 270 branch offices throughout the country, including Express Bank service centers. The largest network of ATMs in the country includes up to 800 ATM machines and 2,681 POS terminals. The bank also offers full service distance banking and a modern call center. Bank of Georgia stocks is listed on the main market of the London Stock Exchange (BGEO:LN) and has rankings from three global ranking agencies: Standard & Poor's 'BB-/B', Fitch Ratings 'BB-/B', Moody's 'B1/NP' (FC) & 'Ba3/NP' (LC).



BASISBANK

www.basisbank.ge

Basis Bank was founded in 1993. The bank's management aimed at establishing a flexible, reliable, financially transparent and customer-focused universal institution. Throughout the early years of operation, the Bank was steadily growing, raised awareness and gained the status of a reliable partner in the region. In 2008, EBRD became the owner of a 15% block of shares of Basis Bank. In 2012, the largest Chinese company Hualing Group purchased 90% of the bank's shares. Today, this proportion has increased to 99.8%. The Hualing Group started investment projects in Georgia since 2007. So far, Hualing Group carried out 5 major investment projects in Georgia, with a total investment amount of 500 million US dollars by the end of 2014. Based on data of 2014 year Hualing Group was nominated as leading, foreign investment company in Georgia. Today annual turnover of Basis Bank exceeds 46 million GEL. The amount of taxes equals to 4.6 million GEL. The bank employs more than 300 persons.



BDO

www.bdo.ge

Audit & Business Advisory Firm BDO is represented as a group on the market. Since the beginning of 2016, BDO brand provides technological consultation and development in the form of BDO Solutions, business training and certification in the form of BDO Academy, and human resources and payroll accounting in the form of BDO HR&PAYROLL. With the support of up to 200 professionals and a global network, which is represented in 154 countries, BDO offers its customers a wide range of audit, tax, outsourcing, corporate finance, legal, technological development services, and business trainings. BDO is one of Georgia's largest accountancy firms, currently 4th in the national ranking. BDO's team looks for innovative ways to help company's clients maximize growth opportunities, improve processes and identify expected risks. We enjoy outstanding relationships with our clients by focusing on what is important to them, adopting a partnership-style approach, being responsible and reliable, keeping our promises and maintaining open and frank communication.



BORJOMI

www.borjomi.ge

Company IDS Borjomi Georgia is a part of IDS Borjomi International. IDS Borjomi International is the biggest producer of natural mineral water and market leader in bottled natural mineral waters in the CIS and the Baltics. IDS Borjomi Georgia is a leader in the mineral water market in Georgia. Its product range includes "Borjomi", "Likani", "Borjomi Springs" and "Bakuriani" brands. The world-famous mineral water brand "Borjomi" is exported to thirty countries worldwide.



BORUN GROUP

www.borun.ge

Borun is a holding company with operations throughout Georgia and covering different business areas, including: mining, construction, agriculture and consulting. All 6 member companies have operations within the Georgian market, while some of them export products to the EU. Borun Group is aimed at increasing its market share and achieving leadership position in their respective fields. The group is open to joint ventures and investment opportunities together with transnational companies and institutes, thus creating a modern, transparent and independent corporate structure.



CAUCASUS ONLINE

www.co.ge

Caucasus Online is one of the Georgia's leading telecommunication companies. Currently, company holds leading position in the supply of wholesale Internet, both domestically and abroad. Caucasus Online owns the submarine communications cable in the Black Sea, which allows us to provide our customers with high-quality service, the shortest route from the large international operators. Caucasus Online also offers its customers collocation, 1007 and domains services. Caucasus Online's team of professionals strives to create all the conditions for the provision of high quality service. The company's technical and human resources are focused on offering high quality service to customers and constantly thinking of introducing innovative products to market, which is attractive and useful for our customers.



DAGI

www.dagi.ge

LTD DAGI was founded in 2014 and since then the company operates in accordance with the quality control standards of construction, reconstruction and decoration, which is made possible through its multi-year experience in the field and a group of qualified engineers and architects. Main advantages and features of DAGI are its quality, effective services, professional performance, constantly mobilized workforce and modern special equipment. All these serve as a basis for successful completion of several large-scale projects throughout Georgia. DAGI owns an ISO 9001:2008 certificate (Quality Management Systems). In accordance with the decree of the chair-person of the Competition and State Procurement Agency dated July 18, 2012, DAGI is registered in the "White List".



4FINANCE

www.vivus.ge

Vivus.ge is the global brand of 4 Finance. The company has a leading position in Latvia, Lithuania, Poland, Finland, Denmark and Sweden. The company was successfully launched in 2012 in Russia, Spain, Great Britain and Canada. In 2013, the services of the company became available for the citizens of Czech Republic and Georgia. 4 Finance is Latvian Joint Stock Company, founded in 2008. The company has attained its success worldwide very fast. Its activities are primarily focused on fast, short-term nonbank loans.



FOODMART

www.foodmart.ge

Food retail chain FOODMART was founded in 2013. Today the company is represented by 3 brands on the market: FOODMART, IOLI GASTRONOMIA and SPAR. Number of shopping centers amounts to 58 and the above mentioned brands operate in four largest regional centers: Tbilisi, Kutaisi, Batumi and Zugdidi. In June 2014, FOODMART signed a Licensing Agreement with SPAR International on the re-branding of all FOODMART and IOLI stores throughout Georgia. In 2016, for the first time in the history of Georgian retail market, with the company's initiative, the first SPAR regional sub-franchise was opened. SPAR International is the largest chain of trading centers around the world encompassing more than 12,000 retail stores in 42 countries, including Georgia. Along with the wide chain of stores, the company "FOODMART" also possesses an enterprise with ultramodern equipment, providing both its own trading centers, as well as those of other partners, for 24 hours around the country, with food products, confectionery, and bakery it produces. 1400 people are employed by the company. This number increases as the company grows.



GEORGIANAMERICANALLOYS

GEORGIAN AMERICAN ALLOYS

www.gaalloys.com

Georgian American Alloys" and "Georgian Manganese" LLC comprises Zestafoni ferroalloy plant, Chiatura manganese mine, Vartsikhe hydropower. It is the largest exporter company in Georgia with about 6500 employees.



GEORGIAN CARRIAGE BUILDING HOLDING

www.elwagon.ge/rustavi

Georgian Carriage Building Holding is one of the largest industrial groups in Georgia founded in 2009. The holding unites 3 companies: Carriage Building Company (since 2005), Tbilisi Rolling Stock Work (since 1883) and Rustavi Metallurgical Plant (since 1964). The main direction of the holding is construction and maintenance of the railway transport. Tbilisi Rolling Stock Work has been repairing and modernizing Passenger Trains, locomotives, diesel locomotives historically. In 2010, by cooperation with Chinese side, they constructed a new high-speed electric train that successfully moves in Tbilisi-Batumi direction. The key motive power of the Holding is Carriage Building Company, where all types of cargo wagons are constructed and repaired. The company holds a special license, which allows to produce carriages and to move in the post-soviet space. The company also produces and repairs trolleys of carriages and diesel locomotives. The third plant owned by the Holding focuses on molding of carriage details. There are produced 27 different types of small and medium-sized vehicle details. In 2015 the company gained a license for molding the most severe details - side frames and bogie bolsters. This allows the holding to localize the largest part of carriage production in Georgia. Before all details were imported from Ukraine and Russia, after gaining the license we can say that 100% of carriage production is located in Georgia. At this time Holding's clients are Georgian, Russian, Azerbaijan, Armenian, Kazakhstan and Baltic railways. It should be mentioned that Georgia gained the status of carriage builder after Russia and Ukraine and it is the leader in carriage repairing and constructing in the Caucasus Region. Today Georgian Carriage Building Holding has partnership with German, Chinese, Ukraine, Czech and other enterprises with related profile.



GEORGIA
HEALTHCARE
GROUP

GEORGIA HEALTHCARE GROUP

www.ghg.com.ge

Georgia Healthcare Group PLC (GHG or the Group) is the UK incorporated holding company of the largest healthcare services provider in the fast-growing, predominantly privately-owned, Georgian health market. We offer by far, the most comprehensive range of inpatient and outpatient services in Georgia. Georgia Healthcare Group, under the brand EVEX manages 74 medical institutions, including 35 hospitals and 8 ambulatory clusters, including 11 district ambulatory clinics and 28 express ambulatory clinics. We are the single largest market participant, accounting for 23.0% of total hospital bed capacity in the country as of 30 September 2016. GHG offers services ranging from basic outpatient and inpatient care to complex specialist services. The group also provides medical insurance, which is positioned to complement the group's healthcare services business. Group member pharmaceutical company GPC is the third largest company in the country serving more than 1 million customers every month. Imedi L is one of the biggest health insurance companies in Georgia with a 34.8% market share based on net insurance premiums earned and have approximately 208,000 insurance customers as at 30 September 2016.



GEORGIAN BEER COMPANY

www.geobeer.ge

JSC Georgian Beer Company was established in 2011. The brewery is equipped with European machinery and power efficient technologies. On April 4, 2012, the company introduced a new Georgian brand of beer and lemonade "Zedazeni" to the market, thus acquiring the leading position in this industry from the very first year of its introduction. A month after its opening, the brand "Zedazeni" obtained ISO 9000 Certificate of Quality Management, followed by ISO 22000 Certificate for Food Management Safety. Moreover, the Company participated in various exhibitions, attained its international recognition and acquired the status of the Best Product of the Year. These achievements resulted into significant enlargement of export market. By the end of 2012, JSC "Georgian Beer Company" became the partner of the largest German Group, "Bitburger Braugruppe" and received a license to produce a prime-class brand, "Konig Pilsener". In 2013, the Company introduced a new beer "Khevsuruli" produced with the technology utilized in mountains, as well as the first Georgian energy drink "Wilder" and various kinds of diet lemonade. Today the Company owns the third of the Georgian market of beer and non-alcoholic beverages.



GEORGIAN INDUSTRIAL GROUP

www.gig.ge

Georgian Industrial Group (GIG), with 20 year of experience, is one of the largest industrial holdings in Georgia. The profile of GIG covers coal mining, electricity generation (hydro, natural gas and coal stations), trade in natural gas and management of immovable property. In 2006, the company, with 20 years of experience in business activities in Georgian market, was established as a holding. GIG is the only coal producing company in Georgia, simultaneously owning such economically important Georgian coal mining assets as Tkibuli-Shaori and Vale coalfields. In the coal mining business GIG is represented by Saknakshiri LLC. The majority of the enriched coal produced is sold under long-term contracts (1 year or more) to the local consumers. In the long run, company intends to increase its extraction volume up to 1.5 million tons annually, to meet both growing local demands, as well as start export sales.



GEORGIAN RAILWAY

www.railway.ge

Georgian Railway is one of the significant parts of the Euro-Asian Transportation Corridor, linking Europe with Central Asia. Construction of the railway mainlines, connecting Black and the Caspian Seas, has been launched in 1865. On October 10, 1872, first passenger train arrived from Poti to Tbilisi. This is the date regarded to be the "Birthday" of the Georgian Railway. Outstanding Georgian public figure Niko Nikola-dze played a principal role in the construction of the railway in Transcaucasia. The complex geographical terrain of Georgia triggered the construction of a number of artificial buildings, which include more than 3,700 constructions. Total length of the Georgian railway is 2 344. 2 km. On April 12, 2012, Georgian Railway was reestablished as a joint-stock Company.



GEOSTAR

Geostar was founded in 2004 with Georgian capital. The main activity of the company is the import and distribution of consumer products. Head office is located in Tbilisi, where the company owns its material-technical base. The company operates around Georgia and it employs about 200 people. Now Geostar is the exclusive distributor of such brands in Georgia as Nivea, Aquafresh, Bic, Papia, Molped, Molfix, Bingo, Bonduelle, PastaZara, Avedov, Pompea, Sisi, Glamour and others.



GEOSTEEL LLC

www.geosteel.com.ge

GeoSteel is one of the largest foreign direct industrial investments in Georgia. It is a joint venture between JSW Steel Netherlands BV and Georgian Steel Group. GeoSteel is ISO 9001:2008 certified company. It is customer-oriented and strives to attain high quality in production. Its production facility is spread over 13 hectares. It is situated in the center of Rustavi city. The company employs 110 professional staff and 375 support staff. GeoSteel's has the capacity of producing 200,000 tone liquid still.



GD GROUP

www.whiskyhouse.ge

GD Group and affiliated companies - GD Alco, International Brands Network, Georgian Distribution Marketing Company are one of the most successful grocery product distribution companies that hold leadership positions in food and beverage wholesale distribution market nationwide. GD Alco has its own premium alcoholic beverage store chain Whiskey House and it is developing a new chain Alcorium, which is supposed to cover more consumer categories. LTD GDG – one of the group's companies - is a regional leader in selling premium alcoholic beverages and serves as a logistical hub in the South Caucasus and Central Asia countries. The company owns a customs cargo space. The company constantly develops modern technologies and systems and they are reliable and long-term partners for Georgian, as well as for many other international companies.



GORGIA

www.bmcgorgia.ge

GORGIA was founded in 1998 and has become one of the first DIY retailer on Georgian market specialized in building and construction materials distribution and retail sales. Today GORGIA is the largest home improvement specialty retailer group in Caucasus region. In Georgian retail market, GORGIA is presented by two brands: HYPERMARKET GORGIA and GORGIA PREMIUM.

HYPERMARKET GORGIA

In 2014 GORGIA has opened the first and the biggest DIY hypermarket in Georgia, which covers 10 000m2 area. Today, GORGIA is a leader in the sector of construction materials stores. Currently, GORGIA has four branches in the following cities: Tbilisi, Batumi, Kutaisi and Zugdidi. GORGIA offers its customers all types of construction and repair material: ceramic tiles, bathroom fittings, furniture, central heating systems, roofs, laminated flooring, paints, building chemistry, pottery and other, more than 35 000 products in the most affordable price in Georgia.

GORGIA PREMIUM

GORGIA PREMIUM was established for serving a high-income consumers, for whom high quality and sophisticated, modern design is of a great importance. In the show-room of GORGIA PREMIUM a customer has the option to buy European brands from the following categories: bathroom, tiles and flooring, furniture and doors. In addition to retail sales, GORGIA PREMIUM offers services starting from design idea to the realization of the project, for which it cooperates with designers, architects, and developers and assists them at all stages of the project. GORGIA's advantage is the developed distribution network and strong corporate sales. The Company is aimed at maintaining a leading position in the Georgian market and fully meets customers' requirements. The great aspiration for improving the degree of customer service is confirmed by ISO certificate received in 2009. Many years of experience, the assortment of various and high-quality products, professional staff, more flexible services - that's why Georgian customers choose GORGIA.



GOODWILL

www.goodwill.ge

Goodwill was established in 2004 and has been constantly, dynamically developing. Nowadays it holds 2 hypermarkets, 4 supermarkets, centralized enterprise, cafes and bakery across the country. Goodwill employs up to 1400 people. The company's mission is to be a leader on a retail and production market, to conduct its operations and activities always bearing in mind interests of its consumers, employees and public at large.

1. Goodwill Didi Dighomi – the first hypermarket of Goodwill was opened in Dighomi in 2004 (total area: 24 000 sq. m.)
2. Goodwill Vake was opened in 2009 (total area: 2 500 sq. m.)
3. Goodwill Saburtalo was opened in 2011 (total area: 4300 sq.m.)
4. Goodwill Batumi was opened in 2010 (total area: 1,400 sq.m.)
5. Goodwill Batumi, at the fuel station of Socar, main road (total area: 250 sq. m.)
6. Goodwill Gori, opened in 2012, East-West Highway of Georgia – Tbilisi-Gori (total area: 800 sq.m.)
7. Goodwill Lilo - in the entrance of Tbilisi, at the fuel station of Socar (total area: 500 sq.m.)
8. Goodwill Batumi (#88 Gorgiladze Street) was opened in 2015. (Total area: 2600sq.m.)

Since 2004, the Goodwill Company has been a leading brand on the Georgian retail market. On the top of expanding the range of products and sales, Goodwill is increasing its own production capacities. The company managers have a major task of proposing innovations, new products, customer-focused projects and new business ideas. Highly qualified and adequately motivated staff is committed to ensuring customer satisfaction.

Goodwill's areas of activities are quite wide as it can be seen from its multi-format structure. Goodwill is one of the biggest importers of German, Dutch, Italian, French, Bulgarian and Ukrainian food and non-food products in Georgia. Goodwill has the following sub-brands: Goodwill Celebration (More than 100 corporate clients), Goodwill Gelateria, bakery – Marche, Cafes Panorama buffet.



GPC

www.gpc.ge

Since 1996 GPC actively participates in establishing famous foreign brands in Georgia. One of the main strategic goals of the company is to establish high quality medication and innovative technologies in pharmaceutical field in Georgian market. GPC is one of the largest pharmaceutical companies in Georgia. With this purpose "GPC" cooperates with world-famous manufacturing companies, such as Pfizer, MSD, Aventis, Pasteur, Solvay, Beaufour-Ipsen, Ratiopharm, Pliva, etc. Imported products cover child care items, cosmetics, hygienic care. By 2013, the company owned up to 100 pharmacy stores throughout Georgia and currently the company employs more than 1500 people.



GPI HOLDING

www.gpih.ge

GPI Holding was established in 2001 as a first private pension fund in Georgia. Promotion and development of so-called social insurance lines – health, life and pension insurance, were identified as top priorities of the company upon its establishment. GPI Holding actively continues the development of prioritized insurance lines to date. In 2006 GPI Holding became a member of the Vienna Insurance Group - one of the leading insurance companies in Europe. For the first time in Georgia, a foreign company of such level and rating became a shareholder of a local company. GPI Holding's daughter company - Geo Hospital holds and manages 17 hospitals in 16 regions of Georgia. In accordance with 2015 statistics, GPI Holding is the leader in the insurance market and holds 20.26% of the market. The company has already engaged up to 120 000 people in health insurance. In 2016, firstly in Georgia, GPI Holding established an online portal for its consumers www.mygpi.ge. It is worth noting that the company managed to acquire the status of the Best Company four times and was nominated the Best Insurance Company in Golden Brand Nomination.



GULF

www.gulf.ge

Gulf Georgia is one of the leading oil companies on the Georgian market, distinguished by high quality fuel and customer service. This international brand has been represented officially in Georgia by Sun Petroleum Georgia LLC since March, 2010. This world brand established back in 1901 in the United States is currently one of the major players in the world market. Gulf Georgia currently successfully operates 140 refueling stations countrywide, 43 of which are located in Tbilisi. The company imports fuel from the best oil refineries in Europe; in terms of quality control it complies with the world-class standards. Gulf refueling stations are distinguished by modern equipment and western state-of-art innovative technologies. Gulf is one of the largest employers in Georgia. It has more than 1300 employees and their number is increasing daily.



IBERIA REFRESHMENTS

www.pepsi.ge

IBERIA Refreshments produces non-alcoholic soft beverages. Main products are Pepsi and Pepsi Light. JSC IBERIA Refreshments has been operating since 2004. In 2005 PepsiCo International awarded IBERIA Refreshments as the largest growing company among Pepsi bottlers. Today the company holds one of the leading positions in the Georgian market. 227 people are employed by the company. Annually, the company expands its production variety and offers new products to its customers. Over the last 3 years Aquafina with lemon, tangerine, green apple, Mirinda and Mountain Dew flavors - joined IBERIA Refreshments' product range.



IC GROUP

www.icgroup.ge

IC Group was founded on November 10, 2005. Since then the company has been successfully operating on the insurance market. Despite competitive environment the company has established its place among the other leading Georgian insurance companies. Since May 2009, when IC group acquired "People's Insurance Company", it has become one of the biggest players on the health insurance market. In 2010-2012, the company was actively involved in the construction and refurbishing of hospitals in 7 regions of Georgia, namely in Khashuri, Bolnisi, Mestia, Oni, Ambrolauri, Dmanisi, Racha-Lechkhumi. In 2011, IC Group moved to a new headquarters and has launched a development of retail services and distribution networks. Currently IC Group works with 10 financial institutions and operates via its partners throughout the country. IC Group is a universal company, offering almost all types of insurance products to its customers. As a member of the Business Association of Georgia, Chamber of Commerce and Industry, and Georgian Insurance Association, the company is actively involved in the development of legislative regulations. Involvement of IC group in drafting of the law on Agricultural Insurance Subsidies resulted in the adoption of the Pilot Agricultural Insurance Subsidies Project, which was launched on the 1st of September, 2014. IC group is one of the 5 participating insurance companies.



ICR GROUP

www.icrcorp.ge

ICR Group Ltd is one of the largest and the most stable organizations in the field of retail business in Georgia. The Company started operation on the Georgian market in 1993 and currently has 700 employees. ICR represents International brands of shoes, clothes, accessories, as well as furniture, and food and beverage outlets. The Company's portfolio includes 22 brands. Since 2016, ICR Group operates as a holding and consists of various companies: International Corporation ICR, ICR Trade, ICR Food and Beverage, Hippo.



IDECO

www.ideco.ge

International Development Company IDECO appeared on Georgian real estate market in 2007. Company operates mainly in sectors of property development, construction and property management and maintenance. Residential house "Opera Residence" is one of its implemented projects completed in 2012. In Georgian construction market, IDECO was one of the first companies offering its customers apartments and offices refurbished with ecologically friendly and energetically efficient materials. IDECO is actively engaged in the reconstruction of historical Spa Resort Tskaltubo. Main strategic utilities and balneal baths of the resort belong to the holding. Logistic center and a warehouse on 7.5 ha are the strategic projects for IDECO and its partners as far as Georgia is important transit country of region. IDECO also intends to make investments in energetic projects. Agriculture is a new filed of interest for the company, as traditions and resources of the country give to company a wide opportunities.



KNOWLEDGE FUND

Knowledge Fund (KF), a non-profit, charity organization, was founded by Kakha Bendukidze in 2007. KF is the largest endowment in higher education in Georgia. Knowledge Fund is the founding organization of the two leading Universities: Free University of Tbilisi and Agricultural University of Georgia. The purpose of the Fund is to ensure provision of world quality higher education to Georgia's young generation and encourage high quality research in the country. To this end, KF invests in educational infrastructure, research and education. Moreover, the Fund encourages the increase of accessibility of high quality higher education through scholarships. Since 2007 KF invested over 50 ml USD in higher education. This is an unprecedented volume of private investment in higher education in Georgia.



KPMG

www.kpmg.com

KPMG is a Big Four company, a global network of professional firms providing Audit, Tax, and Advisory services, operating in 155 countries and having more than 174,000 people working in member firms around the world. Our purpose and aspiration is to turn knowledge into value for the benefit of its clients, its people, and the world's capital markets.



LIBERTY BANK

www.libertybank.ge

Liberty Bank is a successor of a state-owned Agromretsvbank, which was privatized in 1994 and in 2002 renamed to People's Bank of Georgia. In March 2010 the bank was renamed again to Liberty Bank. Liberty Bank has the largest network of branches and service centers nationwide and provides services to over 1.4 million individuals and 72000 legal entities. Liberty Bank is the third largest bank in Georgia in terms of total assets and has 8.2% market share. In September 2009 Liberty Holding Georgia and Liberty Capital jointly purchased a control package of shares.



LILLO MALL

www.lilomall.ge

It has been 25 years since the Ltd Lilo Mall takes a leading position in the Georgian market. Strategic location, wide range of products presented, both wholesale and retail trade availability have become the competitive advantage of the commercial center and contributed to its success. At the moment Lilo Mall is a commercial center located across 35 ha territory with more than 6 000 trading units. Annual number of visitors of Lilo Mall is more than 3 million people, and this number is increasing every year. Lilo Mall is always concerned about the development and introduction of novelties.



MAGI STYLE

www.magistyle.ge

Construction and development company MAGI Style was founded in 1995. It is one of the leading private construction companies in Georgia. Construction business of the company is aimed at building solid and secure buildings. Main activities of the company include projection and planning, interior and exterior design, housing and office development and management, construction development.



MGZAVREBI

www.mgzavrebi.ge

Ltd. Hotel Network Mgzavrebi was founded in 2008, the company's business activities are construction of hotel complexes in the resorts of Georgia, selling hotel apartments, and hotel management. Currently company has built 8 hotel-buildings in Bakuriani, 3 buildings in Gonio and 1 building in Batumi - in total 600 hotel-style apartments. Currently, new hotels are being built in Gudauri (160 rooms), Bakuriani (70 rooms) and Gonio (50 rooms). Up to now the company has attracted and made investment of approximately 50 million GEL. The company's annual turnover is about GEL 10 million, while the company's assets amount to GEL 20 million. The company also owns subsidiaries (in the village Gldanula and Kutaisi). The main direction of the companies are manufacturing of woven furniture and wood furniture.



MOBITEL

www.beeline.ge

Wireless service provider in Georgia Mobitel is part of VimpelCom group of companies. Mobitel Co. Ltd. provides wireless services in GSM-900/1800 standard. Since 2007, the company has been working on expanding its coverage zone by building a modern and reliable network, which allowed implementing fourth generation services and establishment of a quality modern network. Beeline offers its customers not only convenient and useful products and services at competitive prices, but also cutting edge technology. In November 2011, Beeline was the first in Georgia to test the capabilities of the 4th generation communication network – LTE. VimpelCom's operations around the globe cover territory with a total population of approximately 739 million people. In 2014, VimpelCom had 220 million mobile customers on a combined basis. VimpelCom stocks are traded in New York Stock Exchange (NYSE) under the symbol VIP.



NIKORA

www.nikora.ge

Nikora holds one of the leading positions in the local food products market. The history of the company starts in 1998 year and it concerns to production of everyone's favorite sausages Rdziani (Milky) and Iveria. Nikora's working strategy - development / constant striving for expansion, mastering of skills, is the main reason for the fact that nowadays the holding is producing about five hundred products and, along with meat products, it covers many areas of the food industry. Nikora holding incorporates meat products, semi-finished products, fish products, dairy products, ice-cream, bakery products, frozen confectionary and wine companies. The company is also actively engaged in import and, as there is lack of farmers, Nikora imports raw materials from world's reputable factories for manufacturing its goods. The number of the chain stores of Nikora across Georgia is more than 200. In addition to the supermarkets chain named after brand Nikora, the holding owns the trading centers of Nugeshi, Libre, and Sunday. Nikora Holding incorporates the company Intrade, which imports alcoholic and non-alcoholic beverages of worldwide known brands in the local market. Also, Nikora is one of the biggest employers. Nowadays, the holding employees up to four thousand people, whose number is rising in direct proportion of company's development. Nikora is one of the first companies on local market, which has owned ISO 9001: 2008; ISO 22000: 2005 – HACCP certificates for many years and strictly observes international standards of quality management and food safety in production and management. Consumer's trust and loyalty to Nikora is determined with the company's 16-years of experience, consistent high-quality products, a diverse range of products, converge of price and quality and constant dialogue with the public.



NODIA, URUMASHVILI & PARTNERS

www.nplaw.ge

Nodia, Urumashvili & Partners was founded in 2005 and soon, the Company came to the front as one of the leaders in the field of legal advice provided to major industrial and commercial entities. The Company's practice is supported by the legal pros in charge of the local and international business, who possess the truly balanced knowledge of distinctions of the various fields of law both within the local and international environment. The company is focused on gradual growth of the Company, development of its services and improvement of the quality thereof.



ORIFLAME

www.ge.oriflame.com

Founded in 1967 by two brothers and their friend, Oriflame is now an international beauty company selling directly in more than 60 countries around the world. On November 20, 2000 the Company Representatives visited Georgia and officially launched "Oriflame Georgia, thus adding another country to the network of country offices. Oriflame products are marketed through a sales force of approximately 3.6 million independent Oriflame consultants and 8000 employees, who together create annual sales of around €1.5 billion. A product range is approximately 1000 products. Together with queen Silvia of Sweden - Co-founder of World Childhood Foundation - the company owns 5 factories in Sweden, Poland, China, Russia and India; Global R&D centre of Oriflame has more than 100 scientists and experts employed. The company has been listed on the Nasdaq OMX Exchange since March 2004. It has operations in more than 60 countries of which 11 are operated by franchisees.



OUTDOOR.GE

www.outdoor.ge

Outdoor was established in 2008 and soon achieved a leading position in the Georgian outdoor advertising market. Outdoor.ge offers its customers effective and diverse outdoor advertising services across Georgia. The company owns the right to place ads on billboards, monitors, elevators of Tbilisi, public transportation (bus, metro), pedestrian bridges of the city. An experienced and qualified team of the company, through the application of the right combination of diversified advertising means and selection of activities tailored to specific conditions, assist organizations in effectively delivering information to target groups of customers and as a result increase publicity and sales of the brand.



PETROCAS ENERGY GROUP

www.petrocasenergy.com

Petrocas Energy Group is a multifunctional holding operating in the field of oil & petrochemicals transportation in the Caspian Region, Middle Asia and South. The group's activities range from trading, forwarding and supply to handling and storage of oil and chemical products transported from East to West and West to East through the Poti oil terminal. The Group also owns one of the largest retail petrol stations in Georgia operating under the world-renowned brand – GULF Oil International.



THE MEMBER OF
PSP GROUP

PSP

www.psp.ge

PSP has been operating in the Georgian pharmaceutical market for over 20 years. The priority area of the company includes manufacturing of pharmaceutical products in the pharmaceutical factory GMP, leadership in the domestic market and export, increased distribution, expansion of pharmacy store and hospital chains, and development of insurance sector. PSP is the only pharmaceutical company in Georgia, which owns and operates GMP factory - a modern, innovative pharmaceutical factory which meets international standards (www.gmp.ge). PSP pharmaceutical company acquired GMP (Good Manufacturing Practice) certificate from the European community, the so called Good Manufacturing Practice certificate which is the EU License for pharmaceutical manufacturing and a quality guarantee document for manufacturing drug products. PSP has its own pharmacy chain, which offers to customers guaranteed quality medicinal products for affordable prices, quality pharmaceutical services. As of now, the company runs over 160 pharmacy stores all over Georgia. German certification organization TUV-Reinland/Berlin-Branderburg Group awarded PSP with an International Organization for Standardization certificate ISO 9001:2000



RAS AL KHAIMAH EMIRATE INVESTMENT GROUP

www.rak-ia.com

Ras Al Khaimah Emirate investment Group was formally established in Georgia on November 30, 2007. As one of the largest investors, the company's business activities cover several sectors. Tbilisi Mall is one of the investment projects implemented by the Group. Currently, the Group prioritizes development of Poti Free Industrial Zone and existing hotel business. In addition, the company plans to invest in such areas as energy, logistic, etc. Ras Al Khaimah Emirate investment Group has already employed thousands of people in its implemented projects and project planning activities. As of now, the group has the following member companies operating in Georgia: RAKIA Georgia, RAKEEN Development Georgia, RAKEEN uptown development, RAK Georgia - Poti Free Industrial Zone.



REDIX

www.redix.ge

The history of Redix starts from 2007. Main activities of the company include real estate development and management. At present, Redix has 35 large and medium scale projects of different types. More than 300 people are employed by the group. The market value of the company assets is worth 150 million USD. According to 2013 data, Redix Group paid up to 3 mln GEL of taxes to the Georgian budget.



RSM GEORGIA

www.rsm.global

RSM Georgia is an independent member of a Global Network RSM, which is the 6th largest network of independent audit, tax and advisory firms in the world. The Network comprises of more than 38 000 staff working across 760 offices in 120 countries. RSM Georgia offers consulting on issues such as audit, tax, risk advisory, IFRS, restructuring, transaction, business and financial advisory solutions, legal advisory, wealth management and evaluation. Earlier in 2016 RSM Georgia developed new line - RSM Georgia Solutions, which is certified partner of SAP in Georgia. Based on the partnership RSM Georgia Solutions has the opportunity to carry out SAP's, including SAP Business One's solutions products, supply licenses, implement software decisions and integrate them with client companies. RSM clients range from growth-focused entrepreneurial businesses through to leading multinational organizations across many sectors and operating nationally and across borders. RSM Georgia offers its services from Tbilisi as well as from branch offices in Batumi, Kutaisi and Ozurgeti. Since 2012 RSM has been a leading sponsor of European Business Award, Europe's largest and most significant cross-sector business recognition program.



SANTE GMT PRODUCTS

www.sante.ge

Sante GMT Products LLC is the largest producer and distributor of dairy and juice products in Georgia since 1997. With the support of the Overseas Private Investment Corporation (OPIC), an old Soviet factory was upgraded into a modern dairy plant operating in conformity with the highest international standards. Throughout the last 15 years Sante was able to substitute the demand for artisanal dairy products which dominated the market in the past and create a totally new market for factory produced dairy. Today, Sante has a portfolio of over 120 products under five brands. Currently, Sante GMT Products is a leader company in producing and processing milk. In addition to providing a quality food supply, Sante has helped generate income for thousands of families through a network of milk collection centers, which were developed with OPIC's assistance in rural and mountainous areas of Georgia. Through this network of milk collection centers, Sante collects milk on a daily basis from small rural families and produces high quality dairy products made of Georgian natural milk. In 2015, Sante GMT Products was awarded the OPIC Development Impact Award recognizing the company's achievement in the economic development of Georgia.



SHARM TRADING

www.sharm.ge

Sharm Trading is the leading distribution company in Georgia, which has established itself as a leader since its founding. The company was founded in 1998. Despite of insignificant resources, young and aspiring personnel made it a great success. As a result of the partners' complete trust and successful business activities, Sharm Trading has become the exclusive distributor of the global brands in Georgia and Armenia. Today, the company distributes such famous brands as Unilever, Henkel, Schwarzkopf & Henkel, Eszacibasi, Tchibo, SCA, etc. During the term of its business activities at the South Caucasus market the Company firmly confirmed its high professional level and ability to maintain stability, which ensured its long-term and close relationships with partners. Sharm Trading employs about 600 people all over Georgia, while in Caucasus the number is 1000. The aim of the company is to provide customers with global brands' products, quality distribution to both trade and service providers and hair salons around the world.



Silk Road Group

SILK ROAD GROUP

www.silkroad.ge

Silk Road holding has been established for the purpose of consolidating the interests of its companies. These interests are: infrastructure, transportation, trading, food market, real estate, financial services, investments and corporate services.



SILKNET

www.silknet.com

SILKNET is a new company in the Georgian Telecommunications market, founded on March 12, 2010. SILKNET offers comprehensive telecommunications packages to its consumers nationwide (Telephone, Internet, and Television). The purpose of the company is to secure a leading position in the telecommunication sphere by becoming customer-oriented at maximum extent, through offering innovative products, establishing new services and increasing market share and profitability. Top priorities of the company are: highest consumer orientation, highest quality, permanently offering innovative and diverse products, corporate and social responsibility.



SOCAR

www.socar.ge

SOCAR Energy Georgia Ltd was founded in 2006 with the aim of providing investments to the Georgian economy by carrying out the retail and wholesale trade of oil products, the importing of oil products and liquid gas and the construction of oil terminals and reservoirs. Since the very beginning of establishment, SOCAR has been able to position itself as market leader within the energy sector of Georgia. SOCAR Energy Georgia Ltd has since established two daughter companies - SOCAR Georgia Petroleum Ltd and SOCAR Georgia Gas Ltd, which operate in various spheres. SOCAR Georgia Petroleum Ltd has been operating within Georgia's oil industry since September 2006. The company's monthly turnover amounts to tens of millions of USD. The company successfully carries out the import and sale of competitive and high standard oil products. From 2008 it started development of its retail sales network. As of today 113 petrol stations operate in Georgia, which are all well equipped to offer top quality services to their customers. More than 1500 people are currently employed by the company. With intent of establishing themselves within this market, SOCAR Energy Georgia founded a daughter company, SOCAR Georgia Gas Ltd, in June, 2007. The company won a tender announced by the Ministry of Economic Development of Georgia for a large-scale project of gasification in more than 30 regions. Nowadays SOCAR Georgia Gas Ltd carries out natural gas distribution in 44 regions of Georgia, services 386000 user-entities, employs 1960 persons.



TBC BANK

www.tbcbank.ge

TBC Bank is a leading universal banking group in Georgia. With an unmatched share of retail deposits at 33.3% and retail loans at 27.8%, it holds a second position in loans and assets with total market share of 27% and 25.8%, respectively. The bank serves around 1,100 thousand clients through a diversified multichannel platform that comprises 121 branches of TBC Bank, one of the largest network of ATMs and POS terminals in Georgia. It has approximately 4900 employees, more than half of whom have been with the Bank for 4 or more years. Over the years, we have received a number of prestigious industry awards, including being awarded as the Best Bank in Georgia by Global Finance magazine six times, also, six times nominated by The Banker and three times by EMEA Finance and Euromoney. TBC Bank offers a wide range of banking products and services to its retail, corporate, SME and micro clients with the majority of its businesses concentrated in Georgia.



TBC LEASING

www.tbcleasing.ge

JSC TBC Leasing was established in 2003. With over 600 clients across Georgia and more than 1400 valid leasing agreements, the company is currently the leader of the market and manages GEL 85 m. portfolio. The list of TBCL clients varies from medical, printing, transportation companies, food and processing industry, to service industry and trade, as well as some agricultural companies across Georgia. Prompt and flexible services make TBCL products attractive to both newly established yet developing and accomplished large companies. By now total leasing portfolio in Georgia amounts to GEL 124 million, out of which 70% is held by TBC Leasing. Partners of TBC Leasing are BSTDB, EBRD, RESPONSABILITY, SYMBIOTICS, MICROVEST, TRIPLE JUMP and others.



TBILVINO

www.tbilvino.ge

The story of the company begins in the early sixties of the twentieth century, namely in 1962. That was the year Tbilisi held its 10th International Congress of Winegrowers and the largest wine factory of that time was launched. Despite its long-standing history and large scales, the factory remained an essential part of the Soviet winemaking industry, even in post-Soviet era until in 1999, when it emerged as an independent wine company with new philosophy and approaches that still are undergoing substantial development. The philosophy stands for the belief that Tbilvino should be responsible for every bottle of wine produced in the company, track closely the whole process of winemaking, from the vineyards to the consumer respond to new trends. Tbilvino has been widely applying experience of contemporary winemakers. Since 2002 the company works closely with winemakers from France, Australia and Italy with an outstanding wine philosophy which has helped the company shape its styles and approaches.



TEGETA MOTORS

www.tegetamotors.ge

Tegeta Motors is a Holding offering full range of auto products and services to corporate and retail customers. Tegeta Motors has 5 daughter companies: Tegeta Truck and Bus LLC, Tegeta Construction Equipment LLC, Tegeta Premium Vehicles, and TOYOTA CENTER TEGETA. Nowadays the number of Tegeta Motors employees is more than 1200 people. Tegeta Motors serves about 10,000 corporate customers and approximately 800 wholesale units, having sophisticated trading infrastructure represented in Tbilisi and all big cities of Georgia through 20 branches. Tegeta Motors has 22 years of experience in the market and constantly maintains the leading position in the auto industry. Tegeta Motors represents in Georgia more than 300 big and well-known companies such as Bridgestone, Michelin, Hankook, Varta, Exide, Optima, Shell, Motul, Meguin, Hengst, ZF Parts, Lemforder, Sachs, Philips, Bosch, BPW, Thermo King, Febi, Federal Mogul, etc.



TERABANK

www.terabank.ge

Terabank plays an important role in the Georgian banking sector for over 17 years now. It was appearing on the market under different names (Georgian Agro Business Bank, Standard Bank and Kor Standard Bank). However, since May 23, 2016 it operates with new business strategy, branch environment, communication style and new name – Terabank. Terabank is focused to be a bank of choice and a trusted partner for entrepreneurs, their employees, and their clients; to assist their customers in solving their business and personal financial issues through distinctive and individual services. Terabank quite differs from a previously familiar banking environment. It is the only bank in Georgia, which offers its customers a home-like cozy and warm environment. Every effort was made to ensure that our guests receive higher-quality services in a home-like comfortable environment. That is why the bank's main communication message is - "My Financial Home". Terabank operates through 23 branches and service centers across the country and offers its business and retail customers a wide range of banking services and products.



UGT

www.ugt.ge

With 14 years of experience and up to 200 employees, UGT is one of the leading system integrators and providers of solutions in the field of information and communication technology. UGT's mission is to assist its customers in reaching their goals by providing them with information and communications solutions based on modern technologies, products, and services. UGT provides integrated solutions to large corporations and government agencies. UGT clientele includes about 300 leading companies. Since its foundation, UGT managed to become a business partner and a supplier to over 25 world's largest IT companies. In addition, UGT is the first system integrator in the Caucasus region. It holds an ISO 9001-2000 certificate.



VTB BANK

www.ge.vtb.ge

VTB Bank is a universal banking institution, which offers full range of the modern commercial banking products to its consumers. The Bank, as a member of VTB International Financial Group, offers a high standard of services to large companies, small and medium businesses and individuals. The important goal for bank is to offer exclusive high-tech product and modern remote service. VTB Bank has ranking from global ranking agencies: Standard & Poor's 'BB-/B'. The bank has 34 branch offices throughout the country.



WISSOL PETROLEUM GEORGIA

www.wissol.ge

The story of Wissol Group started 14 years ago with selling of oil products. Currently, Wissol is one of the largest business entities in Georgia that not only covers all areas of energy sector, but also has developed construction, advertising, hotel, chain of supermarket and American restaurants businesses. Affiliated companies of Wissol include: Wissol Petroleum Georgia, Air Wissol, Wissol Gas, chain of auto-service centers Vianor Georgia, Wissol Gas Distribution Company, Vellagio, Advertising company Alma, Supermarkets chain Smart, American Restaurants chain Wendy's Georgia, American Restaurant's chain Dunkin' Donuts Georgia, Hotel Lomsia, and a Fitness Center Laguna Kutaisi. International partners of the Wissol Group are: BNP Paribas, Geneva, Societe Generale, Geneva, BCGE - Banque Cantonale de Geneve, ATB - Amsterdam Trade Bank, EBRD - European Bank for Reconstruction and Development, OPIC - Overseas Private Investment Corporation, Total, Chevron, Nokian Tyres, Vianor, Wendy's, Dunkin' Donuts.

The screenshot shows the DRC website header with the logo and text 'DISPUTE RESOLUTION CENTER'. Navigation buttons for 'Arbitrage', 'Mediation', and 'Search the Case' are visible. The main content features a circular infographic titled 'WHY DRC?' with eight surrounding circles: 'Fast decisions', 'More control of the result', 'Friendly', 'More chance to peacefully settle the dispute', 'Low prices', 'Voluntary and advance agreement', 'Confidentiality', and 'E-administration of the case'.

DRC - What you need!

71 Vazha-Pshavela Avenue, Tbilisi, Georgia. Tel.: 2 207 327

www.drc-arbitration.ge



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BUSINESS ASSOCIATION OF GEORGIA

www.bag.ge

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