



Entrepreneurship Development Agency (Enterprise Georgia), under the Ministry of Economy and Sustainable Development according to the results of the call for proposals (Enterprise Europe Network 2015-2020) and in consortium with Georgian Innovation and Technology Agency (GITA), has been approved for membership in the Enterprise Europe Network (ENN).

The Enterprise Europe Network Established under the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (2014 - 2020), known as "COSME", is a European Union flagship initiative aimed at providing business and innovation support to small and medium sized enterprises (SMEs) as well as the competitiveness and growth of SMEs in Europe and important international growth markets. To date, the Enterprise Europe Network remains the world's largest business and innovation support network and currently consists of 600 partner organisations located in 54 countries.

Simultaneously, this is part of a wider policy objective to foster growth and employment in the European Single Market. To this end, the Network member organizations provide value-added business support services to help SMEs do business inside and outside the European Market and are designed to improve their competitiveness.

Besides this, organisations based in third countries that host Business Cooperation Centres for the Enterprise Europe Network will have privileged access to Europe's leading business and innovation support organisations. These contacts will lead to business and innovation opportunities for SMEs in the European Union and in third countries, which is a unique opportunity for Georgia to use all capabilities to achieve its main goal towards economic welfare.

The Enterprise Europe Network and their Business Cooperation Centres will serve as gateways to:

- ❖ Access a vibrant market with over 500 million consumers;
- ❖ Exchange technologies required to make products or production facilities more competitive on international markets
- ❖ Identify suitable European business partners
- ❖ Find research partners to participate in Europe's research framework programmes
- ❖ Channel investment ventures to Europe better and more effectively

As a final point, the cooperation with the ENN definitely responds to the needs of Enterprise Georgia and creates various capabilities to enhance the efficiency of SMEs as well as promoting interoperability with international standards. Furthermore, the cooperation with the world's leading network offers real added-value to their clients as one step forward en route to the improvement of an entrepreneurship environment. Unanimously, the partnership is a proper platform for increasing the financial know-how, accelerating economic growth and facilitating internationalisation of the Georgian SME sector.



Business Support at Your Doorstep



On May 28, 2015 the presentation of the National Report of Global Entrepreneurship Monitor (GEM) was conducted in Tbilisi, Georgia with the support of the German Society for International Cooperation (GIZ) Private Sector Development Programme South Caucasus in cooperation with the Caucasus University and Entrepreneurship Development Agency (Enterprise Georgia).

The report at hand is the first Global Entrepreneurship Monitor Report for Georgia that looks at

by different governmental bodies alongside an information corner in which people of all age groups could participate.

The event was attended by LEPL Entrepreneurship Development Agency in whose pavilion export-oriented companies and beneficiaries of the program "Invest in Georgia" displayed their own production. Eight companies displayed their products to visitors, including confectionery (Ltd. "Asorti-Vere"), ice cream (Ltd. "4 Bros") and juice (Ltd. "Kula") producing companies.

What's more, within the frames of the celebration day, recently opened Ltd. "Georgian Products" exhibited pet furniture at the pavilion. The mentioned company is focused on exports into the Europe market and offers consumers affordable prices. The Company "Outdoor Furniture" oriented on produc-

ing twisted swings brought joy to the celebration of the event for the smallest and most honorable guests. Furthermore, Ltd. "Decora" presented a beautiful show with coloured sand placed in glass containers and vases of different shapes and sizes. The two other companies, manufacturers of packaging as well as wood materials were also presented at the stands dedicated the Independence Day of Georgia.



the country specifically in large detail. The document written by the Caucasus University provides unique information and data that policy or decision makers will not find elsewhere as well as being an irreplaceable opportunity to discuss the main findings of the GEM 2014 Georgia Report and to debate issues that are relevant to fostering entrepreneurship in Georgia.

Since 1999, GEM has been collecting, analyzing and interpreting data on entrepreneurial activity, aspirations and attitudes of individuals in more than 100 countries around the world. The Report explores the role of entrepreneurship in national economic growth, unveiling detailed national features and characteristics associated with entrepreneurial activity, hence providing unique insights into economies worldwide.

The Private Sector Development Programme South Caucasus aims at improving the development of foreign trade oriented sectors in order to

achieve inclusive and sustainable growth. A special emphasis has been placed on SME development including Vocational Education and Training (VET), local and regional development, and economic policy reforms.

The continuous participation of Georgia in GEM activities will allow the country to identify changes in entrepreneurial behaviour and to adjust policy formulation to the needs and trends of domestic entrepreneurial developments. Public discussions on those policies will increase awareness of entrepreneurship as one of main grounds for sustainable economic development and growth in Georgia.

At the same time, the partnership of GIZ and the Entrepreneurship Development Agency aims to fulfill the main tasks of the Agency, in particular, to have a positive impact on developing small and medium business, growing export potential, attracting investors, and facilitating access to the international market for local entrepreneurs.

LEPL ENTREPRENEURSHIP DEVELOPMENT AGENCY WAS SELECTED AS NATIONAL CONTACT POINT OF FINANCING SMEs AND ENTREPRENEURS (OECD SME SCOREBOARD) REPORT

Georgia will participate in the OECD SME scoreboard on SME and Entrepreneurship finance that is being carried out by the working party on SMEs and Entrepreneurship for the first time this year; and the lead of implementing the project took LEPL Entrepreneurship Development Agency (Enterprise Georgia) under the Ministry of Economy and Sustainable Development by providing the OECD with the relevant information.

More precisely, in 2010, the OECD Working Party on SMEs and Entrepreneurship launched a Pilot OECD Scoreboard on SME and Entrepreneurship Financing Data and Policies. The pilot phase allowed an assessment of the impact of the global financial crisis on SMEs and entrepreneurs and supported the evaluation of policy effectiveness in facilitating access to finance during this period. 18 countries participated in the first edition of the OECD Scoreboard, released in 2012, and 25 countries were included in 2013.

In this regard, policy-makers have identified SME access to finance as a recurring, structural problem in OECD and non-OECD countries alike, which the recent financial and economic crisis has exacerbated. In addition, this crisis has once more highlighted that governments run up against a major and longstanding obstacle to policy making in this area: insufficient evidence and

data on the current state of financing available and used by SMEs.

Hence, accordance with the vital needs the objectives of this project is to collect data on SME and entrepreneurship financing to:

- ❖ Improve the understanding of business financing needs and provide the basis for a more informed policy discussion;
- ❖ Give the suppliers of finance a more comprehensive understanding of their client's needs, thus enabling them to design better products and services;
- ❖ Facilitate this information to policy makers to assess whether firms' financing needs are being met, and to feed into the design and evaluation of government policies and programmes;
- ❖ Assist governments monitor the implications of these financial reforms on SMEs' and entrepreneurs' access to finance.

Taking the above mentioned purposes into consideration, participation in the Scoreboard brings additional benefits to countries in terms of gaining knowledge on how to assemble meaningful indicators of SMEs and entrepreneurs' access to finance. It gives participant countries the opportunity to contribute to the improvement of the comparability of SME data and increase co-operative efforts across countries and institutions to harmonise definitions, data collection

Financing SMEs and Entrepreneurs AN OECD SCOREBOARD



methods and timeframes. Also, it serves as a framework and guide for participants on how to assemble meaningful indicators of SMEs' and entrepreneurs' access to finance. provides participant countries with a tool for policy makers to monitor SMEs' and entrepreneurs' access to finance in a timely manner

and support the evaluation of policies and programmes. At the same time it allows participant countries to share and discuss international evidence on SME financing trends and to identify good policies and practices.

Furthermore, after four annual editions, the usefulness of the Scoreboard

to policy makers, to monitor trends in SME access to finance and support the design and implementation of policies, is recognized at the international level.

The use of the standardized template for reporting on the creation and changes of government policies and programmes for SME finance not only increases reporting efficiency, but also sheds light on policy developments over time. The use of the template will make follow-up of previously introduced schemes easier and will facilitate further analysis of the impacts of newly introduced government policy.

The given information regarding the OECD Scoreboard clearly highlights the significance of the project as well as emphasizes the importance of involvement for Georgia. The program serves as an ideal platform for exchanging information and knowledge among its participants from almost all over the world, which is a great possibility for Georgia to establish necessary links with foreign colleagues and increase the export potential as well as productivity. Similar projects encourage local companies, in general small and medium businesses, to become more active and improve competitiveness, which in itself will affect positively on the country's overall economic situation, attract potential investors and promote the rational policy planning process.

DELEGATION OF THE UNITED ARAB EMIRATES VISITED GEORGIA



الإمارات العربية المتحدة
وزارة الاقتصاد
**UNITED ARAB EMIRATES
MINISTRY OF ECONOMY**

On 18-20 May 2015, the delegation of the United Arab Emirates, headed by the Minister of Economy, H.E. Sultan bin Saeed Al Mansoori, together with high-ranking guests from the public and private sectors, visited Georgia. Foreign companies from different economic sectors, including tourism, real estate, agriculture, retail trade, manufacturing, transport and logistics were also represented during the official meetings cycle.

Within the framework of the delegation working visit, on May 18, a meeting took place between the Prime Minister of Georgia, Irakli Garibashvili and honorable guests. During the consultations, the issues of economic cooperation and facilitating a firm future partnership were discussed. Both sides expressed hope that the visit will promote the convergence of business and economic relations between the United Arab Emirates and Georgia.

Most importantly, within the frames of the Abu-Dhabi delegation visit, LEPL Entrepreneurship Development Agency (Enterprise Georgia) hosted representatives from "Al Rawafed-Holding" that are interested in implementing a variety of investment proj-

ects in Georgia.

The group of delegates from "Al Rawafed-Holding", composed five persons, during the period May 18-20, visited factories, land plots, farms, and private companies in different regions of Georgia in order to conduct on-site research of the investment climate as well as gain information on the ground and look through the possibilities for proposals on various projects. In particular, during the last visit, working group members were focused on project implementation towards the growing and cultivating of cereal crops, development of greenhouse vegetables, as well as the opening of dairy farms. Alongside this, the visits served to identify sectors for bilateral cooperation and prepare a basis for a technical team arriving that will hold an AKA

feasibility study.

Al Rawafed Holding is a new strategic investment company, aiming to contribute meaningfully to sustainable agriculture worldwide. The company represents a significant component of the agriculture and agri-food community in the UAE and Serbia, from primary production to post-harvest and retail. Al Rawafed Holding is constantly on the lookout for new investment opportunities that fit their strategy.

The focus of the corporation is to work with governments, private sector participants, industries and funding partners to invest in projects that have the potential to transform ideas into solutions.

The scale of the company and vision highlights the significance and future positive influence on the economic

potential of countries, thus the partnership for Georgia is a perquisite for building a prosperous and sustainable entrepreneurship environment.

As for the agenda of May 19, a Business Forum was organized by the Ministry of Economy and Sustainable Development of Georgia in cooperation with Enterprise Georgia as well as the Chamber of Commerce. The forum was opened by Prime Minister Irakli Garibashvili at the exhibition center "Expo Georgia" where the investment environment of Georgia and the country's large scale economic projects were introduced to the participants. Alongside this, the CEO of Enterprise Georgia, George Tsikolia, gave a presentation on the private sector as well as attracting of Foreign Direct Investment.

Bilateral meetings between repre-

sents of Georgia and the companies of United Arab Emirates turned out productively for both sides. In accordance with an agreement signed between two sides Georgian Lemonade companies "Zandukeli", "Zedazeni" and "Kula" products will join the Dubai and Abu Dhabi markets. During the meetings all present emphasized a strong will to increase the number of direct flights between Georgia and United Arab Emirates. Future plans regarding new tours were also spoken of.

At the same time, for three days, the delegation visited major privatisation facilities, some enterprises, the House of Justice, the Innovation Centre, the project of "Dhabi Group" hotel "Millennium", hotel "Sheraton", "Tbilisi Mall", "Carrefour", and recently built shopping centre "East point Tbilisi".



"PRODUCE IN GEORGIA" PROJECT ENABLING LOCAL COMPANIES TO EXPAND PRODUCTION

Within the framework of the "Produce in Georgia" project and with the support of LEPL Entrepreneurship Development Agency under the Ministry of Economy and Sustainable Development, new projects have been implemented to expand the scale of activities of many existing companies, in particular the "Grifoni" publishing house and "Adwise Group".

The main manufacturing area of the mentioned companies is publishing and printing, targeting the Georgian market. Specifically, "Grifoni" publishing houses prints books and magazines, whereas "Adwise Group" is oriented toward marketing and advertising through booklets, brochures, catalogs as well as labels. At the same time, "Adwise Group" is distinguished from similar companies by its high productivity level, reliability, quality, competitive pricing and flexible price policy. Due to the increasing production capacity total amount of investments for "Adwise Group" equals 162.068 US \$ while the "publishing house Grifoni" amounted to 70.110 US \$.

In general, government program "Produce in Georgia" incorporates four components, implemented by different agencies, one of which involves leasing by co-financing the annual interest rate charged on the subject of leasing within the first 24 months. The maximum annual interest rate is fixed at 15%, of which 12% will be covered by Enterprise Georgia. In addition, initial project costs, excluding the participation of the beneficiary, is within USD 50 000 USD-USD 2000 00.



Overall, Enterprise Georgia provides various forms of assistance for beneficiaries and aims to enlarge local manufacturing capacities, which in itself

promotes companies to include a wide range of manufactured products, as well as increasing the number of jobs available and improving in priority areas.



FIRST PHASE OF "MICRO AND SMALL BUSINESSES PROMOTION IN GEORGIA" PROJECT COMPLETED

On May 18, within the framework of the project "Micro and Small Business Promotion in Georgia", the first phase of the business ideas representation developed by LEPL Entrepreneurship Development Agency under the Ministry of Economy and Sustainable Development of Georgia, was completed.

In the scope of the government program "Produce in Georgia", the competition entailing the presentation of business ideas to stimulate small and medium-sized enterprises started on March 15. Within the framework of the project, the selected business entities will be granted 5000 GEL per entrepreneur (e.g. groups of two receive 10000 GEL) for the implementation of the project. The opportunity to engage in this competition was available to any fixed taxpayer, as well as micro and small business entrepreneurs. 20 million GEL was allocated from the central budget to implement the program, for a period of 26 months.

Based on the statistics of the received applications, the total number of applications in Samtskhe-Javakheti and Kvemo Kartli regions was 1845, while in Imereti, Racha-Lechkhumi and Kvemo Svaneti there were a total of 1730 applications. At this stage, the content of the business ideas is under discussion. After special courses for the

entrepreneurs have been conducted, the final versions of business ideas will be presented and the winner of the second stage will be funded under the program.

The program "Produce in Georgia" is committed to maximizing the country's potential through several initiatives that aim to create new workplaces, as well as establish new businesses or expand existing ones. The mentioned contest is one clear example of the support and encouragement being given to local entrepreneurs to start businesses, produce competitive products and sell them on local and foreign markets.

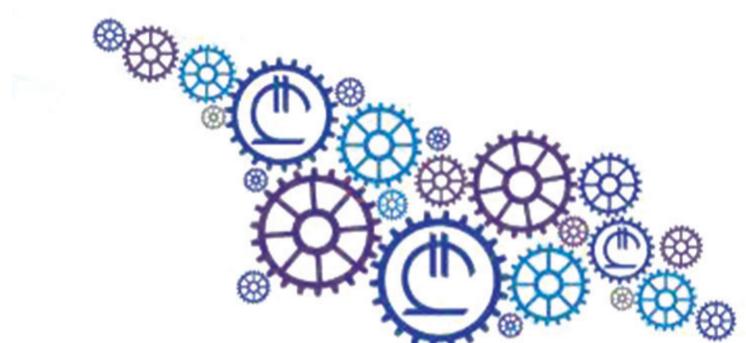
Note:
In Samtskhe-Jaxakheti and Kvemo Kartli region, applications discussed - NNLE "Regional Development Association" RDA

In Imereti, Racha and the Kvemo Svaneti - NNLE "Organization of the Scout Movement - SCOUTS"

As for the other regions involved, the selection process is over. In Adjara, Guria, Samegrelo and Zemo Svaneti, micro and small enterprise promotion program executor will be GMCG - INNOVA, and in Kakheti, Mtskheta-Mtianeti and Shida Kartli the project will be implemented by LLC Tbilisi Business Training Center. The selected organizations will begin the implementation of the program in due course.



LEPL Entrepreneurship Development Agency



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We provide consulting and trainings for SMEs to help them increase productivity and export



We promote Georgian products internationally via exhibitions and e-marketing



GIORGİ KVIRIKASHVILI RECEIVES CEO OF LARGE INVESTMENT COMPANY

On June 17, Giorgi Kvirkashvili, Vice Prime Minister, Minister of Economy and Sustainable Development of Georgia met with Gabriel Schulze, the founder and CEO of Schulze Global Investments.

The meeting was also attended by Ketevan Bochorishvili, Deputy Minister of Economy and Sustainable Development of Georgia and Giorgi Tsikolia, Director at LEPL Georgian Entrepreneurship Development Agency of the Ministry of Economy and Sustainable Development of Georgia.

As mentioned at the meeting, Schulze Global plans to implement direct foreign investments in Georgia's energy projects. For this, the company plans to establish an investment fund in Georgia that will finance new small and medium-sized hydroelectric plant construction.

According to Giorgi Kvirkashvili, Vice Prime Minister, Minister of Economy and Sustainable Development of Georgia, the investment fund has such important partners as the Development

Bank of Austria, the European Investment Bank and other international financial institutions. He added that the fund will be focused on regional investments and chose Georgia as the main point to enter the region.

Schulze Global is a world-wide investor that plans to establish a modern business practice, create new jobs,

and use the best international practice in hydro construction. The company is focused on investing in the world's developing markets. It owns investments of several million USD at various international markets in Asia, Africa, and Latin America. The fund cooperates with the most prestigious institutional investors.

"GSP-TEXTILES" COMPANY TO OPEN A NEW FACTORY



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Within the framework of the Access to Finance component of the government program "Produce in Georgia" and with the support of Entrepreneurship Development Agency LTD, "GSP-Textiles" will establish a new factory in the country.

The company's new factory will be located in Khelvachauri district, in the village of Akhalsheni and will employ from 80 to 100 persons. "GSP-Textiles" focuses on a variety of textile products that combine both men's and women's clothing lines.

Throughout the Achara region there are several similar textile factories but their manufacturing specialties are different. In addition, "GSP-Textiles" has the advantage of cheap credit that provides a basis upon which the enterprise can grow.

At this stage, successful implementation of the project is expected to create employment opportunities for local

residents, alongside Enterprise Georgia within the frames of a Government Program providing beneficiaries with the chance to attract additional financial resources to assist in the successful operation of business activities.

Plans are afoot to export products to Turkey and European countries, it will of course increase awareness of Georgia abroad and will help to attract investments.

Attention should be paid to the fact that, if the project is successfully implemented, a similar factory will be opened in Keda district, in the village of Ortabatumi, Ozurgeti, where the population is 13,000, situated 8 kilometers from Batumi.

The Entrepreneurship Development Agency concentrates on forming a proper investment and business climate by launching similar factories and tries to raise general welfare of the population.



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GIORGİ KVIRIKASHVILI RECEIVES GERMAN BUSINESS DELEGATION



On June 16, Giorgi Kvirkashvili, Vice Prime Minister, Minister of Economy and Sustainable Development of Georgia received the delegation of the German business association. The German delegation in Georgia is headed by the Executive Director of the Committee on Eastern European Economic Relations Rainer Lindner.

The Committee on Eastern European Economic Relations is interested in infrastructural and energy project implementation in Georgia; hence, the sides

discussed ways of deepening economic relations and projects planned by German businesses in Georgia.

"Today we have discussed new projects in the direction of logistics, transport, energy, tourism and agriculture. Additionally, we are getting ready together with businesses for a new Silk Road forum. We will also have bilateral meetings with the heads of various companies as well as with the representatives of the Ministry concerning certain resorts," Rainer Lindner said.

"IBERIA 2005"
TO EXPAND ITS ACTIVITIES



ENTERPRISE GEORGIA

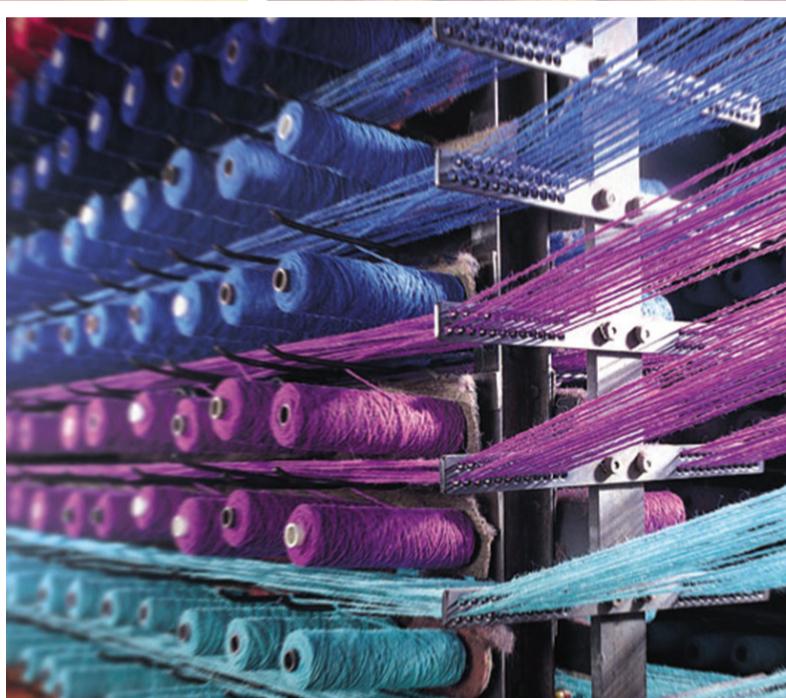
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Within the framework of the government program "Produce in Georgia", the Georgian company "Iberia 2005" with the support of LEPL Entrepreneurship Development Agency is expanding its sphere of activities from July.

"Iberia 2005" is oriented toward paper recycling and manufacturing, producing notebooks to sell which it has been doing successfully for a decade.

The notebooks they produce are distinguished by their low price and the company aims to replace foreign products on the market through re-equipping and expanding. Enterprise Georgia is the first government institution mandated to facilitate private sector development via a variety of financial and technical assistance mechanisms as well as export support. Moreover, the Agency is an integral part of the governmental program "Produce in Georgia" that aims to increase domestic production and productivity.



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