

Entrepreneurship Development Agency



ENTERPRISE GEORGIA

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MINISTRY OF ECONOMY
AND SUSTAINABLE DEVELOPMENT
OF GEORGIA



Produce in Georgia



MINISTRY OF AGRICULTURE OF
GEORGIA



Produce in Georgia

General Info

- ❑ Programme Launch: June 1, 2014

- ❑ Programme Objective:

Support of manufacturing industries in Georgia

- ❑ Programme Directions:

- 1. Industrial Manufacturing Support**

- 2. Agriculture Processing Support**

Produce in Georgia

General Information

□ Programme Coordinators:



Ministry of Economy and Sustainable
Development of Georgia



Ministry of Agriculture
of Georgia

□ Programme Implementers:



Entrepreneurship Development
Agency



National Agency of State
Property



Agriculture Project Management
Agency



GEORGIA'S INNOVATION
AND TECHNOLOGY AGENCY

Georgian Innovation and Technology
Agency





Produce in Georgia



Budget



Produce in Georgia

GEL 46 million

**Industry
GEL 16 million**

**Agriculture
GEL 30 million**



Programme Participants



ENTERPRISE GEORGIA

**Entrepreneurship
Development Agency**

- Financial Assistance
- Technical Assistance



National Agency of State Property
Physical Infrastructure Transfer

Beneficiary



Financial Institutions, Banks



**Agriculture Project Management
Agency**

- Financial Assistance
- Software Solutions



GEORGIA'S INNOVATION
AND TECHNOLOGY AGENCY

Georgian Innovation and Technology Agency

- Contemporary Technology Introduction
- Consulting Services



ENTERPRISE GEORGIA

Construction Materials

Paper and Paperboard

Wood Processing

Metal ware

Chemicals

Rubber and Plastics Produce

Pharmaceuticals

Automotive Industry

Apparel Industry

Electric Equipment

Mineral and Still Water

Bitumen and Bitumen Products

Food Products Industry

Target Sectors
Industry

Target Sectors
Agriculture

High-tech Greenhouses

High-tech, Intensive Cattle Farming

Cattle, Bird, Fish Factory

High-tech, Intensive Bird Factory

Fruit, Berries, Vegetables, Citrus
Processing

Nuts

Wool, Leather Processing

Laurel, Tea, Tobacco Processing

Programme Directions

❑ Financial Assistance

- ✓ Co-financing of the interest on the beneficiary's loans from commercial banks
- ✓ Partial collateral support
- ✓ Co-financing of the interest on the object of lease

❑ Infrastructure Support

- ✓ Provision of infrastructure (land and/or building) in state ownership to the beneficiary for investment obligations

❑ Consulting Support

- ✓ Trainings (Marketing, sales, business planning, export markets and linkages), Entrepreneurial skills, quality management, etc.
- ✓ Support in identification and transfer of contemporary technologies, fostering innovation

Financial Assistance

Financing New Manufacturing – Industry

- ❑ Co-financing of the interest on the loan for the first 2 years
- ❑ Partial collateral guarantee for the first 2-4 years, 50% of the total loan (Upper limited USD 600,000 equivalent in GEL)
- ❑ At least 80% of the loan must be oriented on the purchase of PPE
- ❑ Grace period on Principal – 24 months on the loan share oriented on the purchase of fixed assets and 18 months on working capital

Credit Volume	Interest Rate	Financing
USD 150,000 – USD 500,000	13%	10%
USD 500,001 – USD 1,000,000	12%	10%
USD 1,000,001 >	11%	10%

Financial Assistance



Financing New Manufacturing – Agriculture

- ❑ Co-financing of the interest on the loan for the first 2 years
- ❑ Partial collateral guarantee for the first 2-4 years, 30% of the total loan (Upper limited USD 600,000 equivalent in GEL)
- ❑ At least 80% of the loan must be oriented on the purchase of PPE
- ❑ Grace period on Principal – 24 months on the loan share oriented on the purchase of fixed assets and 18 months on working capital

Credit Volume	Interest Rate	Financing
USD 600,000 – USD 1,000,000	12%	10%
USD 1,000,001 >	11%	10%



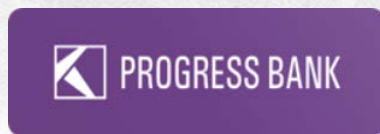
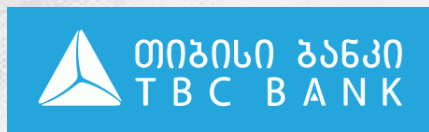
Financial Assistance

Financing Expansion/Technological Update of Existing Production

- ❑ Co-financing of the interest on the loan for the first 2 years
- ❑ At least 80% of the loan must be oriented on the purchase of equipment
- ❑ Grace period on Principal – 24 months

Credit Volume	Interest Rate	Financing
USD 150,000 – USD 500,000	13%	10%
USD 500,001 – USD 1,000,000	12%	10%
USD 1,000,001 >	11%	10%

Partner Commercial Banks



Financial Assistance

Leasing

- ❑ Co-financing of the interest rate on the asset subject to lease for the first 24 months
- ❑ Leasing component of the financial assistance may be utilized by both new manufacturing projects and existing capacities seeking expansion

Credit Volume	Interest Rate	Financing
USD 50,000 – 249,999	15%	12%
USD 250,000 – 499,999	14%	12%
USD 500,000 – 2,000,000	13%	12%

Infrastructure Support



- ❑ In terms of the easing of access to Real Estate, state property will be transferred to participants of the program for the symbolic price of GEL 1, with following obligations:
 - Establishment and launching of the relevant production no later than 2 years time after the relevant decree of the government
 - The established production value must exceed the market value of the provided real estate 6 times (in the capital city of Tbilisi) or 4 times (outside Tbilisi)
- ❑ To successfully apply for the status of the program beneficiary, applicant must provide relevant application and 30 month bank guarantee of 10% of the investment amount,

Bank Guarantee is to ensure:

1. At the initial stage, signing of the purchase agreement by the applicant, after the relevant decree of the government, pertaining to the land transfer
 2. On the next stage, to ensure fulfilling of obligations pertaining to the establishment of the enterprise, launching of production and relevant investment implementation
- ❑ When two or more applicants apply for the same real estate, priority will be given according to the first come – first serve principle

Consulting Support



- ❑ In the framework of the program, the beneficiary, which has successfully applied to either financial or infrastructure support, will have access to the scheme of the relevant state agency (EDA and/or GITA) co-financing the consulting services they receive from private entities
- ❑ The maximum co-finance from the state agencies can be GEL 20,000
- ❑ Consulting service entail following types of assistance:
 - Outreach to local and foreign innovations and technologies
 - Innovation and technology installation
 - Marketing, sales, business planning trainings
 - Export market diligence, identification of demand in foreign markets), entrepreneurship skills, quality management, standardization.



Thank you!



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