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CHELSEA MARKET HOSTS GEORGIA



Enterprise Georgia gave all guests the opportunity to discover Georgia, that small country by the Black Sea with a diverse landscape, ancient monuments, polyphonic music and the homeland of wine, during a three-day event that transformed Chelsea Market into a Georgian bazaar on September 25-27, 2015.

Arts, crafts, hand-made souvenirs, contemporary artworks, fashion designers' clothes, traditional textile, music and tourism destinations in Georgia- where east meets west with its distinctive culture and cuisine- were presented.



Visitors had a chance to explore the unique Supra (feast) tradition, an important part of Georgian social culture, taste Georgian Food presented by New York's prominent Georgian restaurants and sample the legendary Qvevri wines at New York's most reputable and popular food hub.

The exhibition space in Chelsea Market was divided into different decorated corners that represented the national treasures of Georgia.

CUISINE CORNER

Being influenced by European and Middle Eastern culinary traditions, as well as by those of the surrounding Western Asia, Georgians did not adopt all the culinary practices that came their way, and today Georgian cuisine remains distinct, particularly in its extensive use of walnuts.

During the event guests tasted traditional food such as:

PKHALI: a vegetable puree to which herbs and ground walnuts are added.

Pkhali is made from any number of different vegetables, though spinach and beets are the most popular.

KHACHAPURI – Oven-baked soft bread filled with mixed cheese. Cheese bread found throughout Georgia in many guises — round, rectangular, and boat-shaped. The bread is usually filled with a fresh, slightly sour cheese like imeruli (Imeretian) or sulguni, but salted cheeses like bryndza may also be used, as long as they are soaked first. The cheese is grated and mixed with eggs to bind, with butter added if it is not creamy enough. The filling is then either completely enclosed in dough or baked in an open-faced pie. Khachapuri is sometimes topped with a barely baked egg. Aficionados seek out the

boat-shaped Adjarauli khachapuri or Adjarian cheese bread from Batumi on the Black Sea coast.

CHURCHKHELA –Traditional sweets made from concentrated fresh grape juice and nuts; made by repeatedly dipping a long string of nuts in Tatara – a mixture of flour, sugar and Badagi (concentrated fresh grape juice).

KHINKALI – Boiled hand rolled dough bundles filled with juicy meat and herbs, large dumplings made with a variety of fillings. In the mountainous regions the choice is usually ground lamb, but elsewhere the filling is more often a mixture of beef and pork. The dumplings may also be stuffed with cheese or greens. Khinkali are served hot, with no garnish other than coarsely ground black pepper. The doughy topknot is never consumed but used as a handle for holding the hot dumplings.

Visitors also had an occasion to sample and purchase organic Georgian juices, spreads, jams, sauces and other products made from the highest quality fruits and vegetables, as well as the famous Silk Road Black Tea enriched with aromatic jasmine. Companies exhibited in this corner were Kula, Aromaproduct and Gurieli Tea, whose products are in high demand in many international markets.



WINE CORNER

Georgia is thought to be the birthplace of wine. It has an unbroken history of 8000 consecutive vintages of wine, with over 500 endemic varieties of grape of 2000 known in the world. During the event in New York, Georgian wine was presented by local companies (Schuchmann Wines, Vinotera, Teliani Valley, Telavi Wine Cellar, Bagrationi, Pheasant's Tears, Our Wine).

For Georgians, wine evokes both culture and community. The species *Vitis vinifera*, the original wine grape, is native to the Caucasus region, and many linguists consider the Georgian word for wine, ghvino, the prototype for such Indo-European variations as vino, vin, wine, and Wein. The traditional "Qvevri" wine-making method (fermented wine in a clay vessel buried underground) dates back to the 6th Century B.C and in 2013 was proclaimed as an Intangible Cultural Heritage by UNESCO. Almost everyone who has tasted Georgian wine instantly falls in love with it.





TOURISM CORNER

Georgia, the country of stories, offered visitors a wide range of travel experiences. Georgia is a marvelous canvas for walkers, horse riders, skiers, rafters and paragliders. Equally special are its proud, high-spirited, cultured people: Georgia claims to be the birthplace of wine, and this is a place where guests are considered blessings and hospitality is a way of life. Visitors got the feel of Georgia by watching a 3D video. Also, free glasses were available for a mobile version of the video; the owner just needed to go onto Play Store and download the Discover Georgia video and application.



SOUVENIRS CORNER

Georgian souvenirs represent a country's historical identity and can tell you about the esthetical values of the country. On display visitors could observe traditional ornaments and style incorporated in the modern design of Georgian tablecloth, scarf, museum replicas, replicas of Georgian archeological findings, hand-made jewelry, carpets and many other distinctive pieces of artwork that highlight the cultural characteristic roots and features of the country.

FASHION CORNER

The synthesis of good taste, sense of style and elegance has always been a distinguishing feature of Georgian women. This is what has transformed Tbilisi, the capital of Georgia, over the past 20 years into a regional fashion mecca, marked with the opening of fashion houses, introduction of international standards of quality control, and more. At the event "Discover Georgia", Georgian Fashion was presented by online store 'MORE is LOVE' that has been promoting Georgian Designers for more than two years now. The designers presented counted: George Keburia, Ketevane Maissaia, Khoshtrik, Atelier Kikala, Lalo, Irina Gachechiladze, Anouki, Tata Naka, David Koma, 7II, Eshvi, Tamuna Ingorokva, Anouki Khoshtrik, Fakoshima, Ria Keburia, Chubika, Syndrome, Dalood, Tatuna Nikolaishvili, Mariam Gvasalia, and TwoM. The online store offers buyers both one-of-a-kind pieces as well as commercial and wearable clothing. The range of clothing, accessories, jewelry and shoes is presented and are tailored for every type of taste and style.



CONTEMPORARY ART CORNER

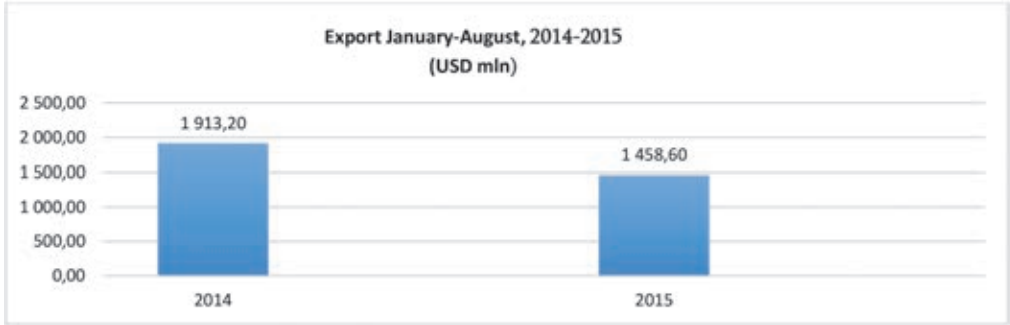
Historically, Georgia is distinguished for its creative innovations. The Georgian art school is one of the oldest in the Caucasus region as well as in Eastern Europe. Georgian movies, music and fine art always broke the mold imposed by communism and conformism, which has paved the way to free - thinking for contemporary art. The works of art on display were a clear example of the above-mentioned tradition. All the artists Lola Jiblaee, Maya Baratashvili, Louisa Chalatahvili, Giorgi Chxexo, Uta Bekaia, Levan Mindiashvili, Lado Pochkhua and Andria Dolidze presented at the venue are well known in international art circles and their pieces are stored around the world in private collections. Chelsea Market visitors could discover different, diversified styles, mediums and approaches displayed by the artists. This creative diversity underlines the huge potential of Georgian contemporary art.



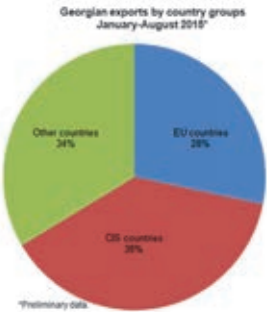
GEORGIAN FOREIGN TRADE
EXPORT JANUARY – AUGUST, 2014-2015

Data analysis for January-August, 2014-2015

For the period January-August, 2015, product export from Georgia amounted USD 1,459 mln., 24% less compared to last year's performance.



Exports from Georgia to EU countries reached USD 413 million for January-August, 2015, that is 7% higher than it was for the corresponding period of last year's data. As for Georgia's exports to CIS countries, in the first 8 months of the year, it amounted to USD 556 million, which is 14% less than last year with regard to the relevant data.



The graph shows the share of country groups in Georgian export.

The following table presents the dynamics of export from Georgia for January-August, 2014-2015, by month:

	January		February		March		April		May		June		July		August	
	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)	USD mln.	changes (%)
2014	223.5	13.9	216.0	33.3	256.2	23.7	236.6	7.4	242.5	12.3	244.1	12.8	246.2	12.9	247.7	13
2015	156.4	-30.0	167.2	-22.6	179.0	-30.1	185.9	-21.4	194.8	-19.6	198.1	-13.6	186.9	-12.8	189.9	-13

Export dropped significantly by 30 % in January and February, 2015. Consequently, these changes

amounted to almost 70 million US dollars in January, while in March 80 million US dollars. In the second quarter, exports reduced and changes for the June-August period fluctuated from 50 million US dollars to 60 million US dollars.

The graph demonstrates the declines in export dynamics (mln. USD) for the years 2014-2015 according to months (January-August)



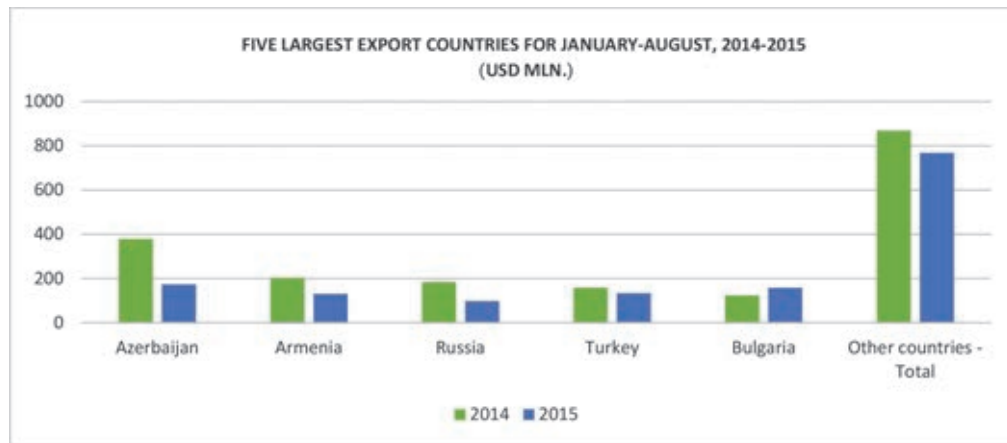
The five largest export markets for January-August, 2015 were: Azerbaijan, Bulgaria, Turkey, Armenia, Russia. In 2014 for the given period, the first five largest markets were Azerbaijan, Armenia, Russia, USA, Turkey.

The largest trading partner countries of Georgia and their share in the total export according to the export for the period of January-August, 2015.

	January-August, 2014		January-August, 2015	
	USD mln.	Share	USD mln.	Share
Export-total	1,913,170.82		1,458,572.1	
Among them:				
Azerbaijan	378.2	19.8%	172.6	11.8%
Armenia	202.4	10.6%	129.4	8.9%
Russia	183.9	9.6%	98.1	6.7%
Turkey	158	8.2%	133.1	9.1%
Bulgaria	122.9	6.4%	157.5	10.8%
Other countries - Total	867.8	45.4%	767.9	52.6%

According to the data of the first eight months of 2014-2015 Azerbaijan takes the first place among the biggest exporting markets (378 mln USD in 2014; share in export in total – 19.8%, 172.6 mln USD in 2015, share in export in total – 11.8%). Though Armenia, taking the second place (202.4 mln USD, share in export in total – 10.6%) took the fourth place in 2015 (129.4 mln USD (share in export in total – 8.9%) while Turkey moved from the fourth (158 mln USD, share in export in total – 8.2%) to the second place (133.1 mln USD, share in export in total – 9.1%) according to the data from the current year.

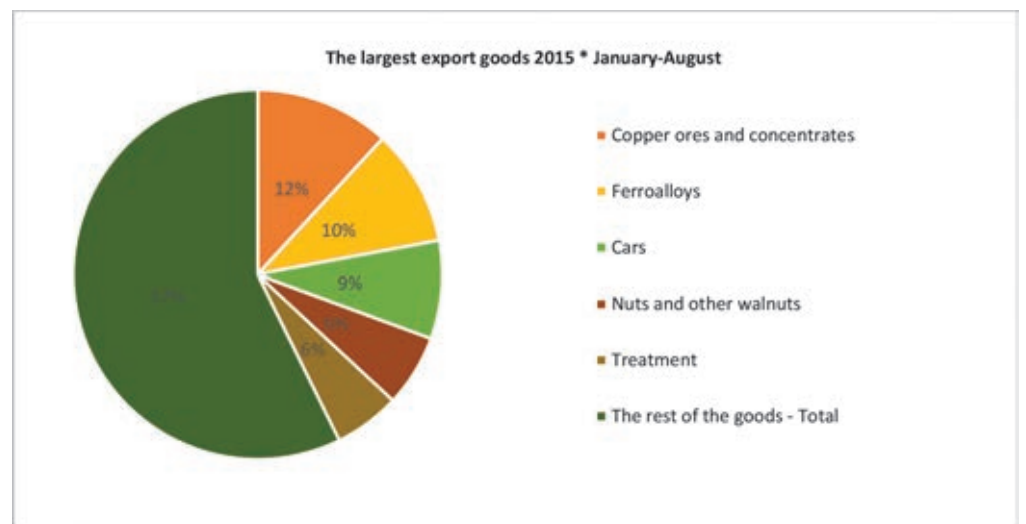
Russia has slightly changed its position and from the third position it moved to the fifth; however in 2015 the share of Russia in the whole export is 9.6% instead of 6.7% in contrast with the data of 2014.



As for the export commodity groups, for the period of January-August 2015, export of copper ores and concentrates are in first place with USD 172.4 million, 11.8% of the total exports. Ferroalloys count USD 149.3 million - 10.2% of the total export. And third place is taken by car exports at USD 124.8 million and 8.6% share in the total export.

	January-August, 2014		January-August, 2015	
	USD mln.	Share	USD mln.	Share
Export-Total	1,913,170.82		1,458,572.1	
Among them:				
Cars	363.3	19%	124.8	8.6%
Ferroalloys	201.7	10.5%	149.3	10.2%
Copper ores and concentrates	185.6	9.7%	172.4	11.8%
Natural grape wines	113.3	5.9%	55.4	3.8%
Mineral waters	99.7	5.2%	58.2	4%
Nitrogenous fertilizers	87.9	4.6%	77.7	5.3%
Nuts and other walnuts	69.3	3.6%	92.1	6.3%
Treatment	59.5	3.1%	84.5	5.8%
Other goods - Total	732.9	38.3%	644.2	44.2

After 2014, slight changes were made among the first three export products: in 2014, the first place was taken by cars, the second place - ferroalloys, and the third - copper ores and concentrates. In 2015, cars moved to the third spot and ferroalloys - second, while copper ores and concentrates took the first place. Also, a significant change occurred with regard to the export of natural wines as this product is not among the top five export products in 2015. However, treatments and nuts export were presented within the top five export products.

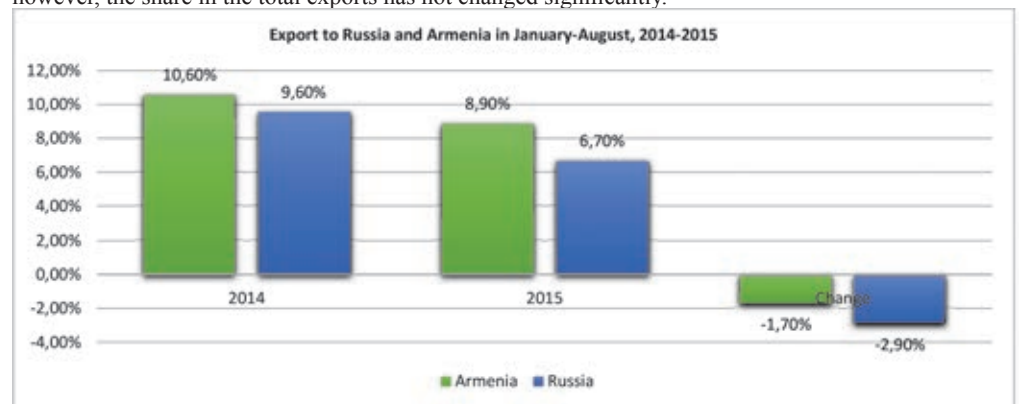


As mentioned, changes in export have been made in terms of commodity groups, as well as with regard to the countries.

	January-August, 2014		January-August, 2015		Change %
	USD mln.	Share	USD mln.	Share	
Export by countries					
Azerbaijan	378.2	19.7%	172.6	11.8%	-7.9%
Armenia	202.4	10.6%	129.4	8.9%	-1.7%
Russia	183.9	9.6%	98.1	6.7%	-2.9%
Turkey	158.0	8.2%	133.1	9.1%	0.9%
USA	144.0	7.5%	81.0	5.6%	-2%
Bulgaria	122.9	6.4%	157.5	10.8%	4.4%
Other countries	723.8	37.8%	686.9	52.9%	15%

Despite the fact that Azerbaijan takes the first place among the top export partner countries between January and May, 2014, it is notably that export percentage significantly decreased by eight units in 2015 for the same period compared to last year (2014 -19.7%, -11.8%, 2015), which is due to demand reduction on cars, reinforcement, and live cattle.

Additionally, the export situation related to Russia and Armenia is one of the most important issues - the amount of export in 2015 dropped almost by half compared to the data of the same period, 2014; however, the share in the total exports has not changed significantly.



The above-mentioned is due to the reduction of mineral waters, natural wines and grapes export in Russia, as well as the decline of car exports to Armenia.

INVESTMENT FORUM “GEORGIA- MAKING BUSINESS EASY” CONDUCTED IN NEW YORK



On September 29, 2015, Enterprise Georgia, under the Ministry of Economy and Sustainable Development of Georgia, organized the Investment Forum: Georgia- Making Business Easy conducted at Soho Grand Hotel, in New York, USA.

During the event the Prime Minister of Georgia, Irakli Garibashvili, hosted more than 300 world leading investors from different countries and discussed Georgia's investment environment along with the simplicity of business-making in Georgia. The event was also attended by the Minister of Foreign Affairs of Georgia, Giorgi Kvirikashvili, the Deputy Minister of Economy and Sustainable Development of Georgia, Ketevan Bochorishvili, the Acting Head of Enterprise Georgia, Ana Kvaratskhelia, and other high-ranked officials from Georgia.

The Prime Minister highlighted the most promising sectors in Georgia and named the banking

industry, the transport and logistics industry, the energy sector, and the manufacturing and processing of agricultural products as the priority sectors in Georgia where the best conditions were available for investors.

“Georgia is becoming known as a globally attractive business environment and is positioning itself as a stable country with a liberal trade regime, low taxes and business efficiency. The Georgian Government will support you, your partners and all investors who decide to start and run a business in Georgia,” – noted the Prime Minister.

While discussing in detail each avenue of business, Irakli Garibashvili underlined that Georgia's banking sector is one of the most developed in the region, while the country's energy sector is attractive due to its abundance of natural resources.

The PM also accented Georgia's growing touristic potential: “Georgia is attractive for tourists

all through the year. Georgia is diverse with its destinations – it has beautiful beaches, ski resorts, vineyards, the oldest cave towns, gorgeous mountains and forests.”

“Georgia, as the cradle of wine and cuisine, has potential to develop wine and cuisine tourism. Last year, about five million tourists visited Georgia, which is more than the country's population,” added the Prime Minister.

As for the transport and logistics industry, the Georgian official spoke about the Baku-Tbilisi-Kars railway project, which aims to connect Azerbaijan, Georgia and Turkey and carry containers, cargo and passengers from Asia to Europe 45 percent faster than the current route.

“The demand on Georgia's ports has increased significantly. We have taken into account the growing demand and are building the Anaklia Deep Sea Port. The project includes seven phases. The Port's annual turnover will be 100 million tonnes and will take Georgia's logistic opportunities to the next level,” PM Garibashvili said.

In terms of implemented reforms, the PM emphasized the significant progress in all spheres made by the Georgian Government, at the same time, he noted that Georgia has a strategically significant location which gives the country huge potential.

The PM also underscored the issue of Foreign Direct Investments (FDI) and noted that Georgia attracted \$1.75 billion USD FDI in 2014, which was 87 percent more than in 2013 and a seven year record high.

“We support new players in the market. In this regard we have created two multimillion investment funds – the Partnership Fund and Georgia's Co-Investment Fund.” We run a universal health care program and are proud of our strong educational system. Our country is evaluated as stable and positive by leading rating agencies,” he added.

The Prime Minister also stressed the importance of a free court system and improvements in terms of improved positions in all indicators, in particular, the recent World Bank Report measuring fairness of governments worldwide.





“The report said Georgia ranked highest in 2014 in all of the six dimensions of governance, covering voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption.”

“Since 2012, Georgia has advanced 16 places in the voice and accountability category, by 22 places in political stability and absence of violence/terrorism, and government effectiveness by 13 places in regulatory quality, by 19 places in rule of law and by 23 places in control of corruption.”

According to Vice Prime Minister, Minister of Foreign Affairs of Georgia, Giorgi Kvirikashvili, attracting a greater amount of American capital to Georgia

has strategic importance.

“We seek to attract the maximum possible amount of American capital to Georgia as it is strategically important to our country. It is also important when investors receive information regarding opportunities in the country directly from the head of government. The Prime Minister presented a very extensive report on Georgia’s investment environment, describing in detail each important direction. “It is important to hold similar meetings throughout the United States of America, including in the west, in Chicago. We seek to attract as much American capital to Georgia as possible as it is strategically important to our country,” Giorgi Kvirikashvili said.



GEORGIA SHOWS OFF NATIONAL PRODUCTS AT RIGA FOOD 2015

On September 2-5, 2015 Georgian national products were displayed at the Major Baltic Food Industry Event – ‘Riga Food 2015,’ organized and promoted by Enterprise Georgia under the Ministry of Economy and Sustainable Development of Georgia, in Riga, Latvia.

The biggest of the Baltics food industry fairs, Riga Food yearly outlines the trends of food industry development, highlights novelties and presents a number of serious and trustworthy enterprises. People are welcomed to Kipsala International Exhibition Center to draw inspiration from a diversity of menu ideas, to taste new products, and to watch and enjoy professional chefs, pastry cooks and bartenders compete. Moreover, the event invites professionals to Riga Food to derive ideas, knowledge and information for further professional and business development. At the same time, the exhibition space is made up of participants from more than 682 companies and 37 countries; the numbers of visitors exceeds 37 783 gourmets and food specialists from the whole world.

At the international food fair, Georgian companies operating in juices, tea, nuts, lemonade, mineral water, energy



drinks, beer production as well as the food industry had a unique chance to display their own production. The following companies took part: “Kula” with all natural juices, jams and sauces, “Geoplant” with various types of wild herbal teas, “Nutex”, “Euronats” and “Saga-2008” with hazelnuts, “Zedazeni” with beer, lemonade and energy drinks, as well as “HelatyWater” with mineral water.

Enterprise Georgia regularly organizes such events and promotes the popularization of Georgian production through creating the proper platform regarding the establishment of new connections and making Georgian products more accessible to interested parties, which in itself underscores and increases Georgia’s export potential along with earning the appropriate place in the international market.

GEORGIAN PRODUCTS ON SHOW AT POLAGRA FOOD

On September 21-24, 2015 Georgian national products went on display at international trade fair ‘Polagra Food 2015,’ organized and promoted by Enterprise Georgia under the Ministry of Economy and Sustainable Development of Georgia, in Poznan, Poland.

Polagra Food is a long-standing project which actively follows the changes taking place in the food industry and which is continually open to the needs resulting from the economic and social situation.

Aiming at creating new perspectives for food producers, Polagra Food provides possibilities for foreign merchants to visit the fair, as well as offering special events to intensify the dialogue and mutual cooperation between exhibitors and clients of the food, hotel and catering industry and their related matters.

The formula of Polagra Food, the food industry’s most important event, will again benefit the development of the sector in 2015 and the objective is to provide support in terms of searching for new markets as well as to implement innovations which will meet the needs of customers.

Over 65 000 visitors and 1 300 compa-



nies attended, including decision-makers: Aldik, Alma, API Market, Auchan, BAĆPOL, Carrefour, Chata Poska, Czerwona Torebka, Delikatesy Centrum, Delikatesy Zielony koszyk, Dino, E. Leclerc, Eko, Emperia, EPI Market, Euro Sklep, Eurocash, Grupa Chorten, Grupa PASSA, Hitpol, Intermarche, Jeronimo Martins, Kaufland, Kolporter, LD Holding, Lewiatan, Lidl, Makro, Małpka, Netto, Piotr i Paweł, POLOmarket, Przyjazny Sklep, RABAT Detal, Selgros, Sieć Sklepów Poziomka, Słoneczko, Spar, Grupa Kapitałowa Specjał, Społem, Stokrotka, Tesco, Topaz, Zielony Market, Żabka Polska. They came from 45 countries and boasted several dozen Gold Medals from the Poznań International Fair.

Within the framework of the event, Georgian companies Kula, AromaProduct, Anka Fair Trade, Saga-2008, Nutex, Aer Company, Healthy water and Wine Man with hazelnut, wine, mineral and spring water, juice and jellies were represented under the national stand.

JSC TBILISI TOBACCO TO UPGRADE FACTORY

Within the frames of the Government program ‘Produce in Georgia,’ with the assistance of Enterprise Georgia under the Ministry of Economy and Sustainable Development of Georgia, JSC Tbilisi Tobacco is to upgrade its existing factory.

JSC Tbilisi Tobacco has been operating since 1998 and serves as one of the largest domestic manufacturers of tobacco products on the Georgian market. The company’s brand Pirveli is one of the top three selling brands in Georgia. The manufacturing facility of the company is located in capital, Tbilisi. During the years of steady operation the company has gained the reputation of being a stable and reliable partner. The company contributes to the development of the national economy by employing local professionals.

With the distribution net spread throughout Georgia, the products of JSC Tbilisi Tobacco are available in every region of the country. Distribution services are exclusively provided by Geodistribution LTD. Constant improvement of existing products and implementation of new brands corresponding to the

demands of the consumers are integral parts of the JSC Tbilisi Tobacco corporate management strategy.

The production realization market for JSC Tbilisi Tobacco includes Asia and Middle East countries, in particular, the products are exported to Afghanistan, Pakistan, Libya and Syria. Regarding future plans, company aims to maximize and expand its manufacturing process. The total investment for this project equals 2,500,000 GEL, while employees number 150 persons.

The Georgian Government program ‘Produce in Georgia’ is constantly adjusting to market needs. Since its launch the program has become more accustomed to the requirements of the business. Through the initiative, entrepreneurs have the opportunity to benefit from the co-financing of loan collateral and interest rates, leasing, access to finance, infrastructure and consulting. Additionally, the program is also committed to enhancing the efficiency of SMEs, supporting export diversification and helping Georgian companies become more competitive on both local and global markets.

