

Business opportunities of East Invest

Agribusiness

Undergoing major transformation, the agribusiness sector offers a wide range of investable areas:

- Wine (25% of total agricultural exports) and spirits, notably in Imereti and Racha-Lechkhumi
- Mineral and table water;
- Nuts (5th largest exporter of in-shell hazelnuts and 3rd largest for shelled hazelnuts);
- Grains (wheat, barley, corn), flour products and animal feeds;
- Organic farming, tea, aromatic and medicinal plants;
- Green house growing of vegetables (tomatoes, onions, peppers, cucumbers);
- Fresh, dry and canned fruits (grapes, citrus, clementine, apple, pear, blueberry), juices, jams, honey;
- Fresh, frozen and canned fish (anchovy, trout) and sea products (mussels, oysters);
- Pedigree poultry, hatching eggs, snail farming, live cattle, meat, integrated dairy production.

Alternative Energy

- Development of greenfield HPPs under the BOO model: prefeasibility studies for 43 small and medium HPPs (each up to 100 MW) and interactive map of potential other HPPs on the website of the Ministry of Energy and Natural Resources of Georgia, bigger projects subject to government's resolution;
- Development of geothermal energy (700-800 GWh), notably for heating greenhouses;
- Development of wind (estimated achievable potential of 5 TWh), biomass (3-4 TWh), solar (60-120 GWh), energy (estimated achievable potential of 60-120 GWh)
- Provision of modern technology and expertise on energy efficiency for the industrial and residential sectors

ICT

The capital-intensive **telecom industry** is already well penetrated by international service providers:

- Fixed line telephony: privatised in 2006 and dominated by Silknet (owned by Georgian-Kazakh consortium BST Holding), Akhtel and Akhali Kselebi (both privately-owned local companies), it reaches only 14% of the population (concentrated in Tbilisi) but offers low growth potential since fixed line is overtaken by other technologies;

- Mobile telephony: Geocell (owned by Sweden's TeliaSonera), MagtiCom (owned by US MIG) and Beeline (owned by Russia's VimpelCom) hold respectively 46%, 43% and 11% of the market share but the cross-selling of new services is expected;
- Internet services: there are 113 licensed providers but 4 of them provide 80% of internet connections, with insufficient bandwidth to meet the needs of their customers;
- Digital TV: Internet service providers are expected to drive the TV digitalisation, which model is to be selected in 2012;
- Mobile services.

Textiles

- Apparel: production through outsourcing to local manufacturers or through JVs (modernisation of the infrastructure and training of local staff);
- Fashion: development of Georgian brands for domestic and export markets;
- Leather products;
- Inputs: production of buttons, thread, fabric, etc.
- Technical textile: army uniforms, traditional uniforms for dance troops and other Government apparel.

Tourism

- Hospitality: 2-3 star hotels for middle class tourists, guesthouses for backpackers, transformation of State buildings for sale into luxury hotels;
- Mountain and adventure tourism in Bakuriani, Gudauri, Mestia and Adjara: accommodation facilities, mountain sports (ski, heliski, trekking, hiking), supply of ski lifts and equipments, ski rental shops;
- Sea tourism: development of hotels, resorts, casinos, shopping centres, water sport activities in Kobuleti and Anaklia (near Batumi);
- Spa and wellness tourism: Tskaltubo balneal resort near Kutaisi, Akhtala mud resort in Kakheti, spas in Borjomi, Sulphur Bath Houses in Tbilisi;
- Wine and rural tourism: wine tours in Kakheti for both domestic and international tourists;
- Cultural tours: 12,000 historical and cultural monuments, 3 World Heritage Sites, etc.;
- Eco-tourism: 30 protected areas, 9 national parks, birds watching in Poti;
- MICE: hosting of business events in Tbilisi, Kobuleti, and Batumi;
- Catering, restaurants, cafes & clubs, souvenir shops and factories.

Transport and Logistics

Development of **facilities and services** for the various modes of transportation:

- Rail: Poti-Baku Container Block Train, other railway links under construction;
- Air: airport development and services, passenger flights and air freight (significant unused air cargo capacity);
- Maritime: oil and cargo shipments from the ports of Poti, Batumi, Kulevi and Supsa, expertise and monitoring systems;
- Road: construction of bridges, rehabilitation of secondary roads, passenger transport, domestic and international freight;
- Urban: feasibility studies and procurement contracts for new metro and light rail train lines in Tbilisi.

Development of **logistics facilities and services**:

- Tbilisi International Logistics Centre;
- Warehousing and storage facilities at the Kutaisi, Poti and Tbilisi FIZ, for agricultural products especially (collection, cold and off-season storage);
- International forwarding services and multimodal transportation.

Sustainable Construction

Development of green building:

- Transfer of designs and methods following green building standards to local firms;
- Development of smart complexes, including housing, offices, shopping centres, etc.

Production and/ or distribution of sustainable construction systems and materials:

- Thermal insulation materials: perlite, polystyrene, glass wool, stone wool, sandwich panels;
- Light construction materials: pumice blocks, perlite blocks/ bricks, airocrete;
- PVC panels;
- Efficient lighting: fluorescent bulbs, etc.;
- Solar water heating systems.