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NATIONAL BUSINESS AWARD



The Best Company Best Businessman Best Investor 2018-2019



SUPPORTERS



## GRAND PRIZE GOES TO GEORGIAN PRODUCTS



MEDIA SELECTED BY BUSINESS - TV PIRVELI AND THE GEORGIAN TIMES



THE JOURNALISTS BESTOW AWARD WENT TO PSP GROUP AND ZARAPXANA

## AIGROUP RECOGNISED AS BEST INVESTOR OF THE YEAR



### MALKHAZ GULASHVILI

‘Our goal is to identify successful companies and help them build their profiles. Four years ago we established a special jury, chaired by the distinguished economist Giorgi Tsutskiridze, which identifies the Investor of the Year. This jury now also awards the prizes for Biggest Taxpayer, Exporter, Employer and Corporate Social Responsibility provider. The projects goal has been achieved.’



# The grand prize of the Bolnisi Cross was won by Georgian Products

## AiGroup was Recognised as the Best investor of the year

On November 27, 2019, the Sheraton Grand Tbilisi Metekhi Palace hotel hosted the 20th Anniversary Georgian National Business Awards and Gala Dinner organised by The Georgian Times and GORBI

“Let us do what we know and let us live in a rich country”

The awards ceremony is traditionally held in a grand and solemn environment and honours the top businessmen and companies of the year. It is always attended by leading members of the business community, government and diplomatic corps and

- Participants, organisers, sponsors and supporters of the 20th anniversary Business Awards, accept my most sincere greetings. We all know that the development of business is crucial for our country, but it is not easy to gain a foothold in this field. I am happy that the number of entrepreneurs is growing nevertheless. I



Nana Gagua, Publisher of The Georgian Times Media Holding

media personalities. His Holiness and Beatitude, the Catholicos Patriarch of All Georgia, Ilia II, also attended this year and congratulated both the participants and organisers of the event.

The unedited speech of Catholicos-Patriarch was as follows:

would like to bless each one of you and wish you future success. I want to especially bless the newcomers to this sector, and those who contribute to the development of agriculture, produce ecologically friendly products and promote the revival of endemic species.



Malkhaz Gulashvili, Founder and President of The Georgian Times Media Holding; Merab Pachulia, GORBI

Remember that the foundation of your success lies in your lifestyle. The old wisdom teaches us: Remember that hands that give will never be empty. I hope your future work will be linked to charity, helping people in need, which is a great deed and approved by the God. May God have mercy and bestow peace and joy upon you!

The event was entertained by renowned choreographer and Georgian dance star Tea Darchia and the girls of Studio Tedas, multiple champions of both Georgia and the Caucasus in ballroom dancing, winners of numerous international competitions, Juliana Bar-Gnar and Oto Poladashvili. DJ Rambo also offered a live set throughout the evening and created the musical-tectonic shifts which accompanied the presentations.

“We Do What We Know,” an anthem specially created for the 20th anniversary awards, was performed by young soprano Nino Salukvadze. The well-known Sano Studio, and its director Merab Sanodze, provided the event’s cosmic setting, galactic mood and electronic colour streams.

**The supporters of the XX Georgian National Business Awards included:**

- Tbilisi City Hall
- The Ministry of Economy and Sustainable Development
- The Ministry of Environment Protection and Agriculture
- The Ministry of Finance
- The Ministry of Regional Development and Infrastructure
- The Georgian Chamber of Commerce and Industry



Malkhaz Gulashvili, Founder and President of The Georgian Times Media Holding; Gia Volski, First Deputy Chairman of the Parliament of Georgia

- The International Chamber of Commerce
- The Partnership Fund
- The American Chamber of Commerce in Georgia

- The sponsors were:**
- Platinum Sponsor - Petrocas Energy Group
  - Gold Sponsor - RMG
  - General Sponsor - SOCAR
  - Diamond Sponsor - Zarapxana
  - Silver Sponsor - Sena Auto Group
  - Sponsor - Georgian Products
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**The companies nominated for the 20th anniversary Georgian National Business Awards included:**

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Nana Gagua, Publisher of The Georgian Times Media Holding

Petrocas Energy Group; RMG; Zarapxana; SOCAR Georgia Petroleum; Sena Auto Group; Georgian Products; Aversis; Askaneli Brothers; Geoplant/Gurieli; MMT Hospital; NCC; Carriage Building Holding; Wisol Group; Caucasus Auto Imports; Management Systems; Orbi Group; PSP Group; Sano Studio; Georgian Industrial Group; Toyota Centre Tbilisi;

Teliani Valley Kindzmarauli Wine-Cellar; Schuchmann Wines Georgia; Georgian Manganese; Georgian Express DHL official representative in Georgia; AiGroup; Kardanakhi Wine Factory NI; Catherine's Palace on Lisi Lake; Sevasamora Resort & Spa; Geoprovision and Geosteel.

**"This is an amazing demonstration of how the media and business**

**"The Business Awards were founded in 1995, and have continued ever since. They were the initiative of The Georgian Times Media Holding. Our goal was to**

**Awards year on year and more and more companies participate in them.**

**"Our goal is to identify successful companies and help them build**



Malkhaz Gulashvili, Founder and President of The Georgian Times Media Holding; Gia Volski, First Deputy Chairman of the Parliament of Georgia



Juliana Bar-Gnar and Oto Poladashvili

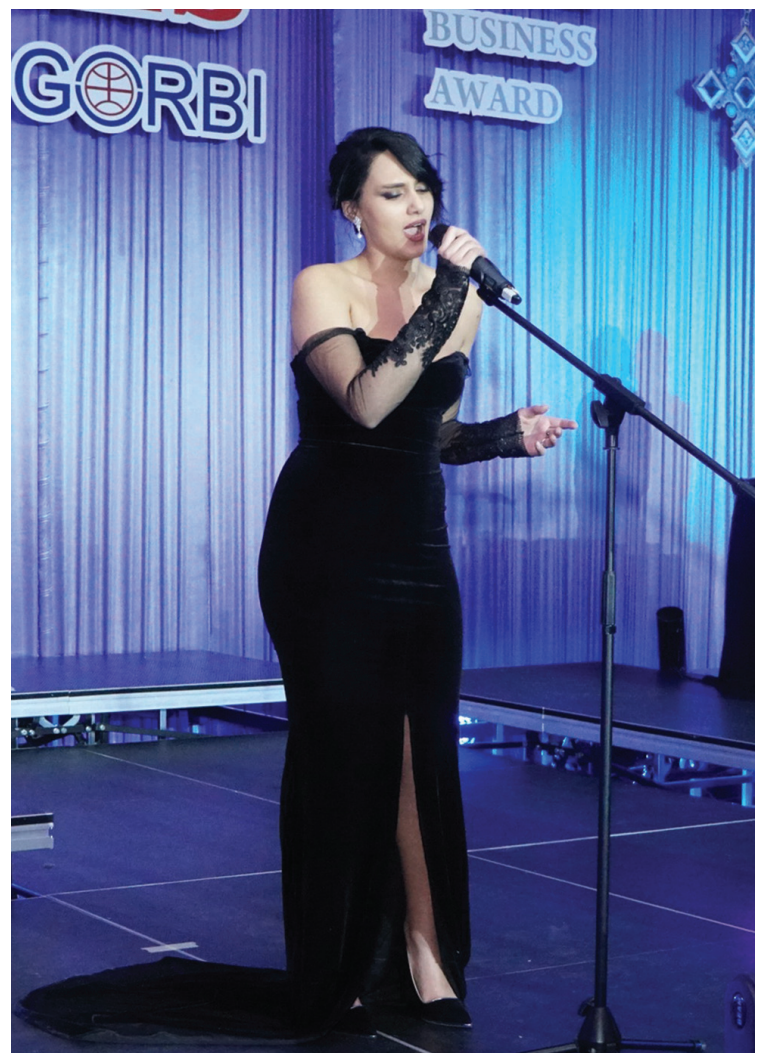
can maintain a friendship over 20 years. The selection of the participating companies is carried out in a couple of stages. First up, we collect official data on the contribution of a particular company to the Georgian economy; at the next stage, experts evaluate each company in accordance with several criteria. At the end of the day, the businessmen listed in the business ratings determine the best company themselves through secret polling - Merab Pachulia, the head of GORBI, Georgian Public Opinion Research Business International, told GT.

**"Our ultimate goal is to identify the most successful companies,"** Malkhaz Gulashvili, founder of The Georgian Times Media Holding, stated. He added that the companies are assessed against 14 criteria. The research is conducted by GORBI.

present Georgian business as one of the most progressive forces in the country, and I believe we did.

**"Twenty years ago, at the first awards ceremony at the Tbilisi Sheraton Grand Metekhi Palace, 11 companies were represented, and TBC Group won the grand prize. We improve our National Business**

**their profiles. Four years ago we established a special jury, chaired by the distinguished economist Giorgi Tsutskiridze, which identifies the Investor of the Year. This jury now also awards the prizes for Biggest Taxpayer, Exporter, Employer and Corporate Social Responsibility provider.**



Soprano Nino Salukvadze



Tea Darchia and Studio Tedas

“The various prizes bestowed on different companies today indicate the importance of the Georgian National Business Awards. The participants are the most successful companies according to data provided by the Statistics Department and Revenue Service. It is the leading such event in Georgia,” Malkhaz Gulashvili said.

Georgian Products won the grand prize. This is the first animal furniture and food manufacturing company in Georgia, and which has been successfully exporting its products to EU countries and the USA for the past 5 years. It employs 500 people. As a result of its round-the-clock toil, a lot of European customers bear products inscribed with the words “MADE IN GEORGIA,” and the company is proud of this.

“This was a very important and unexpected victory for us. Certainly, it represents great recognition from our business colleagues. This event has established itself as a tradition in the Georgian business sector. The fact that the National Business Awards have been held for 20 years demonstrates how important this event is. I would like to thank the organisers of the event, the Georgian Times and GORBI, for their impartial balloting,” David Bardavelidze, founder of Georgian Products, told GT.

AiGroup was Recognised as the Best investor of the year. Petrocas Energy Group was recognised as the best employer. SOCAR won an award for its contribution to the state budget. RMG was named the largest exporter of the year and also won the Corporate Social Responsibility award.

“The jury for these special awards was composed of well-known and highly respected economists. I think their names alone - Emzar Jgerenaia, Lia Eliava and Soso Archvadze - are enough to demonstrate their competence. The jury was founded to award prizes in categories not included at previ-

each other and how closely they follow each other’s success. One of the features of this event is that rival businessmen reward each other. It’s really a breakthrough when you bring businessmen together and create a forum in which they are all friends, and work together for one goal - Georgia’s well-being.

“I would like to thank the businessmen who have trusted us for 20 years, recognise our event and support it without question. Their confidence is justified, as demonstrated by GORBI’s polling and the decisions of the high-level jury”, Nana Gagua stated.

AiGroup – Georgian Industrial Group and Kakhaber Guledani – won in the categories **Leader of the Green Economy, Contribution to the Elec-**



Nikoloz Nakopia; Azer Mammadov; Kakhaber Mchedlishvili; Saba Jishiashvili; Gia Alikhanashvili; David Bardavelidze



Malkhaz Gulashvili; Gia Volski; Giorgi Tsutskiridze; Azer Mammadov; Kakhaber Mchedlishvili;



ous ceremonies. This is how the awards for largest taxpayer, leading investor and largest employer came about. We took the criteria for these from the content of the nominations,” Giorgi Tsutskiridze told GT.

Nana Gagua, Publisher and Editor-in-Chief of The Georgian Times, assessed the ceremony as follows:

“This year’s 20th awards ceremony once again promotes business, identifies new faces and showcases and supports this sector. Our event has always sought to bring

together both new, small companies and renowned and successful ones. Our ultimate goal was to prevent this event becoming a mere gathering – we wanted to create a business club, and this is what we have actually achieved.

“In this business club, businessmen meet in a friendly atmosphere once a year. There is no competition or rivalry between them, they welcome each other’s presence.

“As the organiser, I have witnessed through the years how collegial the businessmen are with



tric Vehicle Industry and Development of Renewable Energy.

Kardanakhi Winery Factory N1 and Nikoloz Kizikurashvili won in the categories **Contribution to the Preservation of Historic Traditions and Development of Bio-Winery.**

Catherine’s Palace on Lisi Lake and Teona Zakradze won in the categories **Creative Solutions and Original Style and Contribution to the Revival of Aristocratic Architectural Trends.**

Sevsamora Resort & Spa and Giorgi Gagua won in the category **Contribution to the Development of Wine Tourism.**



Nana Gagua; Nino Tsirekidze; Mikheil Chkulaseli



Malkhaz Gulashvili; Marina Kodua, ZP Palace

Geoprovision and Levan Vachnadze won in the category **First exporter of Georgian Meat Products to EU countries and the US.**

by legendary Georgian NBA Star **Zaza Pachulia**, was also given a special award. This was presented to Zaza Pachulia's mother, Marina Kodua,

items to the companies represented. They also received elite Schuchmann Wines Georgia Kvevri Kisi wines and unique Sano Studio audio books.



*Giorgi Tsutskiridze, chair of the special jury*

GeoSteel and Jaspal Singh won in the categories **Largest Investor, Industry Leader and Contribution to the Georgian Construction Industry.**

The awards ceremony always grabs the special attention of the media and the business community. During the event, journalists had the opportunity to meet business leaders, representatives of the diplomatic corps and government ministers and deputy ministers.

The media outlets and journalists supporting the 20th anniversary **Georgian National Business Awards** were also rewarded. The favourite media company award, voted on by the participants, was shared by **Pirveli TV** and **The Georgian Times**. **PSP Group** and **Zarapxana** won the journalists' favourite company award, and are therefore holders of the White Eagle. Photo reporters **Giorgi Abdaladze**, **Soso Gharibashvili**, **Levan Gorgijanidze** and **Nugzar Kereselidze** were also rewarded for their work.

**The Hotel ZP PALACE**, owned

who is a manager of the distinguished hotel.

The founders of **BeActiveInGeorgia**, **Paata Tsivadze**, President of the Corporate Sports Federation of Georgia, and **Zurab Bokolishvili**, President of the Georgian Sports Tourism Alliance, were awarded for their contribution to the development of mass participation sports and the growth of business engagement with these.

**Guri Salukvadze**, the founder of **Startup/Businessman** and **Chirchkhela** who was also the compere of the ceremony, also won a special award. This is a very good and extraordinary precedent, as new and promising companies should always appear and grow alongside big companies.

President of BD Art and painter **Besik Dughashvili** also presented special awards. These went to Doctor of Medical Sciences **Giorgi Javrishvili** and **The Georgian Times**.

**Katie Mosidze**, the talented Georgian designer and founder of **Chemos**, gifted some of her unique handmade

The Georgian Times will again bring together the best companies and businessmen in Georgia at the twenty-first Georgian National Business

Awards in 2020 - creative, hardworking, successful people whose activities are crucial for the country's success. Preparations have already begun.

The Georgian Times – We Do What We Know.

*Nino Otarashvili*



*Osman Turan; Malkhaz Gulashvili; Gogi Topadze*



# Georgian Products LLC Wins Grand Prize

*Georgian Products LLC was awarded the Bolnisi Cross in recognition of expanding Georgian exports to the markets of Europe and the USA at the Georgian Times and GORBI Georgian National Business Awards. Below you can find GT interview with David Bardavelidze, Founder of the company about the company success.*

According to David Bardavelidze the company has stepped into a new stage of development in 2019. Georgian Products LLC has specific plans for year 2020, namely, to expand sales to the market of Europe by 25% and to enter the market of America. The company plans to increase both technological and human resources. According to Georgian Products LLC the company currently has no competitors on the local market. They mainly compete with Chinese companies which they surpass by range of products, price, quality and logistics.

**How important is this recognition for you and your company?**

The aforementioned award is an important recognition and proof that we are following the



work of our team and its ideologist Vakhtang Bardavelidze, and it gives us great stimulus for the future.

Generally, European and American customers are interested in the quality and safety of a product, and it is very difficult to gain customer confidence. From the beginning we focused on the quality of our raw materials and the products themselves, each product undergoing the strictest quality inspection. The favorable location of Georgia in terms of logistics, and the 2014 free trade agreement between Georgia and the European Union, have played a major role and made us more competitive in terms of product pricing.

All the above factors helped us to overcome difficulties we faced in entering and establishing ourselves on the markets of Europe and the USA. As a result, millions of European customers now have our products in their homes, bearing the inscription "Made in Georgia".

**Which products are in the greatest demand and which countries do you deal with?**

Each of our products is highly esteemed by our customers, but the products made of wood are the most popular, and like the others they are made of high

quality eco-friendly raw materials.

At this stage, 100% of our products is exported to EU countries and the United Kingdom. By the end of the first quarter of 2020, we intend to begin exporting to the United States of America, as significant steps have already been taken in this direction as well.

**Do you use local wood or import it?**

Our team constantly strives to promote local production, but the raw materials we use must be environmentally friendly and obtained from sustainable forestry activities (those covered by an FSC certificate). Unfortunately, it is impossible to buy such raw materials in Georgia, so we have to import them.

**How competitive is the local market?**

At present, we have no competitors on the local market. We have to compete with Chinese producers, but we surpass them in terms of range of products, price, quality and logistics.

**Georgian Products has also started producing pet food,**

**which will be exported to the EU too. How successful has this been for you?**

We decided to increase our product portfolio due to the high demand for pet food in Europe upon our European partner's request. For this goal pet food producer GeoProvision Ltd was founded in January 2018. It holds ISO 22000 Food Safety Management System Certificate, which signifies that the company has implemented Hazard Analysis and Critical Point Control and Good Manufacturing Principles (GMP). Consequently, it complies with global food safety regulations. Furthermore, our company has been audited by the European Commission with the aim of including our country to the list of third states' organizations recognized by European Commission which can export processed animal by-products to Europe. Geoprovision Ltd. will thus be the first Georgian company to export meat products to the European market.

**Is the pet furniture manufactured by your company intended for export, or is it also available locally?**

We are an export-oriented group of companies therefore all the manufactured goods are completely exported to different countries.

**What price segment do your products fall into?**

The wide range of products manufactured by us meets the needs of customers with any buying capacity.

**How would you assess 2019, and what are your plans for 2020?**

Year 2019 was a platform to move to the new stage of development for our group. We have specific plans for 2020: we aim at 25% growth of sales on the European market and to enter the US market. We will increase both our technological and human resources and significantly enhance production volume. Such growth certainly does not mean deteriorating quality of our products; on the contrary, it is important for us to enter new markets with high quality products at competitive prices and to further promote our country. We have desire for the products from Georgia to be primarily associated with the quality on the global market.



right path of development which is in line with our mission and goals over the last four years. It is a result of the hard

**What difficulties did the company face in gaining a foothold on international markets?**



# AIGROUP- Let's protect our environment and leave a green country to future generations!

The twentieth Georgian National Business Awards Gala ceremony, organized by The Georgian Times Media Holding and GORBI, was held on November 27, 2019 at the Sheraton Grande Tbilisi Metekhi Palace. This year, **Kakhaber Guledani** and AIGROUP won awards for being the leading green company and for its contributions to the development of the electric vehicles and renewable energy industries.

**AIGROUP** has four business directions:

**AICAR** – electric car sharing service;

**AIPRODUCTION** – production of electric vehicles;

**AIENERGY** – development of infrastructure for electric charging stations;

**AIPOWER** – generation of electricity through solar panels.

**AIGROUP** and its affiliated companies aim to create eco-friendly products, promote the sustainable development of the green economy in the country and promote Georgia internationally.



Nino Otashvili

**AIGROUP** is the only company in Georgia which is comprehensively facing the challenges of the 21st century by developing its business in four directions. Each project is a healthy business idea in itself. Here **Kakhaber Guledani** tells GT more about the group.

**How did you come up with the idea of this business?**

We have a polluted environment, forests have been cut down, there are too many cars in the cities and a shortage of parking spaces and there are traffic jams and heavy infrastructural projects in the heart of the capital. All these issues need to be addressed.

**Whom do you work with?**

We have a team of people who are committed to moving our country into the realm of those developed countries which take care of their future and take social responsibility. We follow and develop global trends, building a bridge between the present and a secure future. We invite you to join us on our exciting road of development.

Let us protect our environment and leave green country to future generations!

**What does each part of your business do?**

Aicar offers car sharing service of electric vehicles. It is the only company in Georgia which renders such service. At present, this company operates in Tbilisi and Batumi, but it will soon be available in the other big cities of Georgia. It currently has more than 100 electric vehicles, but this number will triple soon.

Aienergy develops infrastructure for the electric vehicles. There are over one hundred electric car stations countrywide, and this number will increase next year. The project will build fast charging points on the arterial highways of Georgia, West and East.

Aipower generates electricity from alternative sources. The very first commercial solar panel station was put into operation on December 17. A 100 kW solar power station is also being installed on the roof of the sports complex in Gldani. Solar panels which covers 600 square meter area were produced by AESolar Company in Kutaisi.

Once the station is operational, it will supply its electricity to the sport complex. We will be generating 50 MW by the end of next year. Accordingly, large-scale works will be undertaken on



roofs and land plots transferred by the Government of Georgia during the upcoming year.

Aiproduction will build an electric vehicles manufacturing plant in Kutaisi. This will produce 5,000 vehicles in its first year, but ultimately 40,000 per year. The factory will take five years to build. 300 factory workers will be employed at the initial stage, but this number will increase to 3,000. A Vocational College will be opened nearby where qualified personnel will be trained. The ultimate objective is to make Kutaisi the grandest economic hub in the entire region.





**G-Force**





# Historic Jewelry Box of Zarapxana

*It has been 80 years since enthusiastic goldsmiths opened the Tbilisi Jewelry Factory on Leselidze Street. Zarapxana has been manufacturing the history of Georgian jewelry in colored metal and stone since 1939, creating each jewel with flawless craftsmanship and bringing the art and culture of jewel making to a new level on a daily basis.*

A gift prepared by Zarapxana is always both fashionable and timeless. When you wear Zarapxana you are part of the history of Georgia's jewelry culture and centuries-old traditions. Each jewel is a symbol of the national heritage, distinguished by its reliability and quality.

Zarapxana is one of the rare Georgian companies which has never ceased production even in the most difficult times. At the 20<sup>th</sup> Georgian Times and GORBI Georgian National Business Awards it received yet another prize for its contribution to promoting the best jewelry traditions. Here GT interviews Nikoloz Nakopia, Director of the company, about its achievements and future plans.

**Zarapxana has always been prominent and is constantly evolving, what makes the brand so successful?**

We concentrate on quality and Georgian jewelry traditions. All our products, whether jewelry or souvenirs, are made in Georgia. High quality, affordable price and our reverence for, and place in, Georgian history are what make Zarapxana so successful. This is our formula for success.

**Which of your collections is the most popular? How important is tradition, and how can you categorise Georgian customers?**

Zarapxana offers both jewelry and souvenirs. We have 18 collections and serial lines. We had a special year in 2019: we presented 4 new collections of contemporary styles, responding to market demand. These collections are designed for modern women who know exactly what they need and are focused on improvement. Georgian customers are diverse: some like modern, simple geometric figures, while others prefer our historical collections.

The King Tamar, The Knight in the Panther's Skin and Mtskheta collections deserve a special mention. The King Tamar reflects the magnificence of



that era, the Knight in the Panther's Skin is linked with the characters in the poem, and the Mtskheta is based on jewels preserved at the Archaeological Museum.

**How do you decide which collections you want to produce, and then take these ideas forward?**

The inspiration of our collections is the history of Georgia, Georgian ornaments and art. For example, the Ekaterine Chavchavadze collection is based on a love story. It reflects not only the sophistication of such a person's jewellery but also the concept of what a leading female figure in the modern world should be, with her distinctive strength, charm, independence and active public role.

Ancient Georgian artifacts found in archaeological excavations, the legend of Kolkheti, the ancient Georgian alphabet, and figures from history and literature have also inspired collections. However modern jewelry is also widely represented. For example, jewelry made from diamonds, colored stones and pearls is available as serial merchandise. The modern collec-

tions are inspired by fashion trends. The preservation and development of the Georgian cultural heritage is the driving force of our company.

**What can you tell us about the crafts persons who work for you?**

Approximately 120 people are employed by Zarapxana, including many with over 40 years' experience. Our company undertakes all aspects of jewelry and souvenir production, and this makes our factory unique. Although we use modern equipment, we do not forget the old traditions and craftsmanship, and therefore every jewel is hand-made.

We employ the best goldsmiths in Georgia. It is generally difficult to find new, professional staff in this field. For us, quality is the most important thing. Our team of professionals work tirelessly to create an exclusive and affordable product in accordance with the old traditions.

**Serial production is an important part of your catalogue, what kind of jewels do you offer in this category?**

The serial collection of jewelry includes diamonds, pearls and engagement rings, jewels made of colored gemstones, crosses and initials. The creation of jewelry begins with designers who

work out what it should look like. On the basis of their sketches, the jeweler makes the idea real and the finished product goes into serial production. After the production process is completed, the merchandise goes to stores and consumers.



**How many stores do you have, and what plans do you have for expansion?**

At this point Zarapxana is represented by 5 branded stores, four in Tbilisi and one in Batumi. They offer both jewelry and souvenirs. At this stage, management is considering adding more stores and updating the existing ones.

**Can you expand further on your company's plans?**

Zarapxana plans to introduce new collections and gain a foothold in the international market. Next year we will be developing online sales, which will help promote Georgian jewelry worldwide.

**What challenges do Georgian**

All Zarapxana products are made in Georgia. Product manufacturing is one of the major challenges for us, because we have to import additional supplies from different countries. But we are doing our utmost to promote economic growth by increasing productivity and jobs.

**What was your greatest achievement in 2019, and how did you respond to the challenges you faced?**

2019 was distinguished by the variety of our new collections and the scope of our corporate outreach. We increased production quantity and created new, exciting collections. We achieved a lot in the corporate sector, as a lot of new companies became our customers. Specially designed jewelry was made for our various partner companies.

There is high demand for souvenirs, especially during the peak holiday season. The souvenirs purchased from us are gifted to partners and employees. Thus sales have been increased during the past period. Both production and product range have increased, we have improved the production cycle and created new production areas. We will continue to make all efforts to increase productivity and customer satisfaction.

**business and the Georgian economy face at present?**

The jewelry business is pretty specific. It is unique in every country. The biggest challenge is to offer an acceptable price for our customers. The final price is affected by the gold price on the global market and the exchange rate of the national currency. Countries with low purchasing capacity are not the best places to sell expensive merchandise.



# SOCAR Georgia Petroleum Gets Georgia Moving

*SOCAR is a global brand, which steadily keeps pace with technological innovations. Its success is the result of constant technological upgrading.*

SOCAR has been active in Georgia since 2006, and Georgian-Azerbaijani friendship spans several decades.

At the 20<sup>th</sup> Georgian National Business Awards organized by The Georgian Times and GORBI SOCAR Georgia Petroleum won awards for quality of products, establishment of the highest standards and contribution to the state budget. Here GT interviews Levan Giorgadze, Director of the company.

**What makes your brand so successful, how attractive is the Georgian market and what are the challenges you face?**

SOCAR entered Georgian market in 2006. Georgia has one of the fastest growing economies in the region, and is an efficient corridor for the distribution of energy resources. SOCAR is a global brand, and one of the leaders in developing this industry, which succeeds by implementing technological innovations. After 15 years in Georgia, SOCAR is one of the most important players on the local market.

**What kind of projects did you undertake in 2019? Which is the most distinguished, and why?**

We implemented a lot of interesting projects in 2019, including the updating of Energy Cards, our Social Responsibility projects, the 2020 European Football Championships project, building a new multi-

functional complex in Terjola, introducing new fuel-carriers, installing solar panels on the roofs of stations, introducing steam cleaning systems, etc. It is difficult to list all of them, but perhaps the most important was the updated loyalty card we offered our customers, the Energy Card. This enables them to obtain discounts, accumulate points and pre-purchase fuel. We also introduced a SOCAR mobile app to our loyal customers, which helps them manage their accounts, purchase fuel, exchange their points for different products and learn about the innovations

faced by people with disabilities on a daily basis. For two years we have supported the Active Life is My Cup of Tea, which offers sports activities, including extreme sports. We also adapted the restrooms at SOCAR stations this year. The adaptation of all restrooms at the stations on the highway is our top priority, and we will try to renovate them all in the near future. The cost of this is pretty high, but we know that this is a necessary step for the comfort of our customers.

**Is the range of services you offer a distinguishing feature of SOCAR stations?**



we offer.

**What did your social responsibility activities include?**

**What did you do to adapt the stations for persons with disabilities?**

Supporting people with disabilities is one of the five top CSR priorities of our company. We address the challenges

Yes, we endeavor to offer all kinds of services to our customers. Our third multifunctional complex, which we opened close to the Terjola turn on the Zestafoni highway in December 2019 is the best example of this. In addition to a SOCAR petrol station, the complex includes an electric car charging



point, a Way Mart café-market, a Khareba Winery shop, a GPC pharmacy and Dunkin Donuts and Wendy's food stores.

**How are you implementing the EURO2020 Mini-Cities project?**

We have redesigned 11 petrol stations for the European Football Championship 2020. We have transformed them into miniature versions of the host cities where the championship will take place. We have declined to portray St. Petersburg, the 12th city due, to the current political situation.

I think the project has been interesting and successful. We promise numerous surprises to our mini-city station customers during the European Football Championship.

**What have you decided about the utilization of renewable solar energy?**

Our installation of solar panels at petrol stations is the first precedent in the region and



one of the first in the world. 30KW YINGLI SOLAR panels have been installed on the roof of the petrol station at Agmashenebeli Alley by a company called Green Energy. These generate approximately 3 megawatts of energy per month, equivalent to saving up to 10 trees. The panels will supply power to our Way Mart store at the station. If the project succeeds, similar panels will be installed at other larger-scale SOCAR stations.

**SOCAR Georgia Petroleum is a major contributor to the state budget. What was your financial performance last year and are you happy with it?**

Overall, 2019 was a good year. We made several innovations and carried out a number of infrastructural and social projects. We have never betrayed our core values of quality, integrity, innovation and care for people and the environment.



# RMG – A Company with High Social Responsibility

**RMG is the largest mining company in Georgia which gives high priority to corporate and social responsibility – including care for employees and their families, support for small entrepreneurs, preserving cultural heritage sites and protection of environment. About 90% of RMG employees are residents of Bolnisi and Dmanisi Municipalities, they are involved in mining activities and contribute considerably to its export growth, which is vitally important for our country.**

RMG has won Export award at the 20<sup>th</sup> Georgian Times and GORBI Georgian National Business Awards for contributions to environment, employment and state budget and second award in nomination for Best CSR company of the year. Further Kakhaber Mtchedlishvili its Corporate Director, tells GT about its successes of last year and plans for this year.

**How successful was 2019 for you?**

The company has always been successful in terms of improving financial performance and offering the best conditions for employees. Several years ago the company launched a number of big social and environmental projects, the first results of which were obtained in 2019. Consequently, confidence in the company has increased even more. We are a reliable company, and this is felt by every member of our team. This motivates us to do more necessary and useful deeds for our country and community.

**What do these include?**

Environment protection is our top priority, along with caring for people. In addition to the commitments imposed on us by the Ministry of Environment and Agriculture, we are implementing additional environmental projects constructed to protect water, soil and air from harmful impacts.

A wastewater treatment plant is being constructed in Kazreti (in the Bolnisi region) at a cost of ~2.5 million, with the help of German scientists and Portuguese technical staff. Acidic waters have been flowing into the local river from 40-year-old landfill. The new water purification system will ensure that clean water flows into the river, and this will prevent even minimal river contamination.

We are also implementing over 100 projects under our Environmental Programme, including the introduction of a dust protection system. Modern dust filters have been installed at the plant to protect from generation of dust during manufacturing processes. At present, three filters, which cost 250,000 USD, are operating and one more will be added this year.

One of the most important components of dust protection is the constant watering of pits and roads. We have introduced 180-degree mist cannons which combat dust with water streams. There are also five modern water-carriers irrigating the roads and surrounding area 24 hours a day. We also do not permit a dirty vehicle to drive from the enterprise area onto the main high-



way. Trucks are washed before they leave the grounds.

The total budget of our Environmental Programme is

30,000,000 GEL and we plan to complete it in 2021 to minimize environmental impacts in our enterprises. But of course we

won't stop there. Environmental protection will remain one of our top priorities in the coming years.

**\*\*\* CSR**

Last year we declared a year of high social responsibility in our company, and this obviously influenced the welfare of our employees. All our employees have one of the best insurance packages on the market. Furthermore, we have a social foundation which cares for both our employees and their families. All employees receive quarterly bonuses. In 2019, the equivalent of more than two monthly salaries was issued as a bonus. In 2019, a total of 14.5 months' salary was paid to employees instead of 12 months salary.

We have a well-equipped canteen at our enterprise where up to 950 employees are served free meals daily. The large-scale social responsibility projects that we are implementing are of paramount importance in the region and throughout Georgia.

We have supported the Bolnisi Winery, a group of around 30 small entrepreneurs, for the last two years. The objective of this is to encourage the production and sale of quality product from the wine cellars of Bolnisi residents. Bolnisi winemakers have participated in the International Wine and Spirits exhibition – Wine expo 2018 and 2019 with the financial support of RMG. Bolnisi wines won 1 gold, 2 silver and 16 bronze medals last year, which was a great result.

We take pride in the restoration of cultural heritage sites undertaken through cooperation

between RMG, four Dioceses and The National Agency for Cultural Heritage Preservation of Georgia. This vast project involves the restoration of seven monuments of national importance between 2018 – 2021 in different parts of Georgia. The company will spend over 2,000,000 GEL on this project.

RMG has been supporting dance ensembles and other sports and arts groups in Bolnisi and Dmanisi for many years. It organizes various entertainment, cognitive, cultural and educational projects aimed at educating and developing young people.

We started extracting and processing polymetallic ore at the new mine last year. This had never been done before. We have already exported these concentrates. The uniqueness of the new ore mine lies in the fact that a new extraction method minimizes environmental impacts. The underground shaft extraction method used does not require the removal of vegetation.

We have also launched the large-scale project to refurbish the 1970s copper-enriching ore plant which involves equipping it with new technology. Our partner OUTOTEC, from Finland, is one of Europe's leading companies and provides onsite design and installation of the selected equipment.

A 10 million Euro contract has been signed with the partner company for the first phase of these refurbishing works. We expect the project to be completed in 3 years.

**The company is now one of the biggest contributors to the state budget. How difficult was it to attain this position from scratch?**

The company employs more than 3,000 employees. A company of such a large scale is of the utmost importance for a small country like Georgia. This is evidenced by the taxes and dues we pay to the budget each year. In 2019, RMG Gold and RMG Copper paid 43,620,093 Lari in various taxes.

However, we also face challenges in this sector. Regrettably, we do not have native Georgian technical specialists, and have to invite foreign specialists here. We would like this to change in the nearest future. This is why we are actively cooperating with the Georgian Technical University and various international universities in the field of mining, linking them and promoting different educational and exchange programs.

We have signed a Memorandum of Understanding with Georgian Technical University, and within of this framework we are trying to promote and develop this sector. We have also introduced an RMG Scholarship for the best students. We offer them internships, probation periods and specific employment opportunities at our company, and draw up individual development plans for them.

RMG's contribution to higher education will soon bear fruit. Future projects will require large number of employees, among whom will be many educated young people with new ideas.



# Sena Auto Group – Wide Range and Quality

**SENA AUTO has won awards for having a wide range of models and for quality guaranteed services at the twentieth Georgian National Business Awards organized by The Georgian Times Media Holding and GORBI.**

Here GT interviews Gia Alikhanashvili, its Director.

**How important is this prize for you?**

SENA AUTO GROUP provides Automobiles full model range each year, in accordance with customer needs and market trends. We supply all our distributed brand's original parts, aftersales service, and warranty.

**When was the company founded? Which countries are you represented in? Where do you import cars from and which brands do you offer?**

Sena Auto was founded since 2006 in Georgia and it will soon celebrate its 15<sup>th</sup> anniversary. It is the official distributor of Japanese HONDA Automobiles, passenger and commercial vehicles of China's state automobile manufacturer JAC Motors, the quadricycles and

snowmobiles of the NI American Brand POLARIS, and premium quality oils and lubricants from the ENOC United Arab Emirates state company.

In 2019, the company added two new brands: Korean SangYong premium class 4x4 cars and Turkish KUBA Motors electric and petrol scooters.

**What do you offer your customers which makes you a leader?**

The company distributes passenger and commercial vehicles of all categories. A certified service center and provide full aftersales warranty guaranteed services. We offer customers different vehicles at affordable prices.

**What is the current situation in the car business in Georgia?**

The major share of the car

business is held by the import of second hand cars. 90% of these vehicles are more than 10 years old, while 56% of cars are 20 or more years old.

**How does the current economic situation affect this business?**

Today, we face an unstable economic situation due to the devaluation of the national currency, state tender regulations and the low purchasing capacity of the population. These factors have a negative influence on business and company in general.

**Does your company participate in state tenders?**

Yes, it does.

**What kind of advertising campaign do you run?**

We run our advertising campaign on social media, using digital advertising, outdoor ads, radio and TV. We also take part



in different thematic exhibitions and events.

**The new regulation imposed by the National Bank of Georgia restricted the ability of commercial banks to issue loans without root analysis of customers' buying capacities. How did this affect Sena Auto?**

The regulation made it impossible for individuals to buy a car via instalments, while high interest rates on leasing considerably increased the cost of products.

**Which brands are in most demand, and how many commercial vehicles did you sell last year?**

The last few years in SENNA AUTO joined commercial automobiles distribution and basically, we carry out orders for this category of cars.

**How real is the development of car manufacturing in Georgia?**

It is real indeed.

**How consistent is your pricing policy?**

We distribute vehicles with a wide variety of prices. We can select a vehicle with the best price and quality for any customer in line with their requirements.

**Can you expand on the future plans of Sena Auto?**

We will endeavor to improve our quality of services, support new and existing customers, develop our model lines, offer eco-friendly electric vehicles, develop the import of electric cars and increase the market share of new cars in Georgia.

# To conquer new heights - PSP promises exciting and innovative projects this year too

*PSP has been creating success stories in the field of pharmacy for more than 25 years. Appropriate management, the teamwork of the employees, the professionalism of each employee and purposeful activity have turned PSP into a big and successful family. The company offers quality medications, baby nutrition, baby and adult care and hygiene and a wide range of premium class cosmetics in all regions of Georgia and 233 pharmacies around the capital.*

The history of PSP dates back to 1994. It began by importing medicines, and then introduced the latest advancements. When the medical community had no access to global medical innovations, PSP provided new medications and research, encouraged physicians to attend international conferences and made new medications available in Georgia much earlier than in other post-Soviet countries. The company is still a guarantee of quality drugs.

GM Pharma of the PSP pharmaceutical company is still the only enterprise in the South Caucasus which complies with the international pharmaceutical standard GMP, as it has been for twenty years, since the day of its foundation. The complete cycle of solid drug form manufacture - from raw material to the ready product - is fulfilled with the latest technologies in accordance with GMP PIC/S requirements.

55% of the company's annual turnover comes from the Tbilisi factory, and 45% from the import and sale of GMP pharmaceutical products certified by the GMP Company in different countries (Switzerland, Germany, USA, Spain, Portugal, Italy, Sweden, Argentina, Greece); GM Pharma is constantly monitored by UK, US and EU independent auditors for compliance with EU GMP regulations. GM Pharma also has one of the largest product portfolios in the region, including 150 brands and 250 releases in almost all groups of medica-



...panding our network and range of products; we work with our European and foreign providers to reduce prices on a daily basis. In 2019, 20 new PSP pharmacies were added to our network, including in ones in several new locations: Tsalenjikha, Chkhorotsku, Martkopi and Chokhatauri.

**What projects did you implement in 2019?**

We introduced a couple of novelties in the field of cosmetics: the Korean cosmetic brand Mizon and the German cosmetic brand Essence. PSP customers are also able to buy the most famous German baby care range, Penaten. We will pamper our customers with new and trendy brands in 2020 as well.

**In how many countries are you rep-**

...to the current definition, CSR implies activities carried out for the good of society. Amongst other activities, we provide customers with the necessary quality products and services without harming the environment and people, and this has been the cornerstone of our company's 25 years of operation. The core values of PSP fully reflect the root principles of CSR: environmental protection (through the availability of biodegradable and paper packages and participation in planting and greening); promotion of a healthy life (through supporting different types of sport - basketball, judo, futsal); support for education and social production, boarding houses and elderly facilities, etcetera.



tions including dietary supplements.

The PSP Group employs more than 6,500 people in Georgia; in PSP Pharma - 3,917; PSP Insurance - 233; New Hospitals - 1,627 and GMP - 804. The holder of Steve Awards, PSP Group won awards for being the largest employer and its contribution to the development of the pharmaceutical industry at the Georgian Times and GORBI business awards for 2019.

Here Gocha Gogilashvili, Director of PSP Group, talks about the company's successes and future plans:

**What were your greatest achievements in 2019, what challenges did you face and how did you respond to these?**

The Georgian pharmaceutical market is characterized by very high competition, which constantly pushes us forward. Each year we face new challenges and develop new projects. At the same time, we are constantly engaged in ex-

**resented, and how many drugs are registered for export?**

The company exports more than 100 types of product to 10 countries (Uzbekistan, Armenia, Azerbaijan, Kyrgyzstan, Tajikistan, Moldova, Belarus, Kazakhstan, Turkmenistan and Ukraine). GMP Pharma has official representative offices in 5 CIS countries (Uzbekistan, Armenia, Moldova, Kyrgyzstan and Tajikistan), which employ over 200 employees and successfully sell Georgian pharmaceuticals (GMP Pharma is one of the top ten companies in several countries by market share). It is planned to open new official representative offices in Belarus, Ukraine and Kazakhstan in the upcoming three years.

**How important is social responsibility for the business sector, and what are the PSP's priorities in this regard?**

PSP sponsors healthcare and healthy lifestyle activities. According

**What novelties can we expect from PSP in 2020?**

PSP will continue to offer innovations in 2020. We will introduce world-renowned cosmetic brands and significantly increase our range of medications. We are also actively expanding our network and rebranding, and we plan a lot of exciting innovations in this line.

**What does it mean to you to win Georgian Times Business Awards? Do you think they encourage the business sector?**

PSP has been serving the population of Georgia for 25 years. The main goal of the company is to care for its customers and meet their needs, and therefore recognition of the company's success by the public and research organizations is an additional incentive to offer more exciting and innovative projects in the future and to conquer new heights. That's the motto and slogan of PSP - step by step.

# Sano Studio - Georgia's Music Factory

*Sano Studio won an award for its contribution to the development and promotion of Georgian show business and the country's rich music history at the 20th Georgian National Business Awards organised by The Georgian Times Media Holding and GORBI.*



position as a result. In terms of specific needs, the main one is the lack of a production institution.

Nowadays the studio is focused on creating a company in line with Western and American standards. A good studio requires quality equipment to create a good product, and this is quite expensive. "Fortunately, our company has the luxury of the necessary equipment", he says.

Merab Sanodze told us that he was happy with 2019 but is hopeful that 2020 will be an even happier year, as a lot of new projects are planned.

Merab Sanodze, founder of the company, told GT that the company has been offering quality products to its customers since 1999, and this is the main reason people love it.

"Sano Studio is the most experienced music company in Georgia, having been founded on April 20, 1999. We've had a lot of troubles since then, but we've been successful so far. I can boldly say that the company has no rivals on the market", he says.

Mr. Sanodze finds it difficult to identify his best projects because he believes everyone the studio has collaborated with is inherently unique and has their own quality. This is evidenced by the fact that all the studio-based products have their own enduring niche amongst listeners.

"Georgian Voices was recorded in this studio, as were the group Tbilisi and the project Gio and the Boys, amongst many others. The studio has been conducting a wide range of music events since the day of its establishment," he says.

Mr. Sanodze believes that Georgian show business is in a disadvantageous position to-

day, and the company is struggling to maintain its leading





# “WE DO WHAT WE KNOW”

## XX National Business Awards Investment Awards The Winners of Various Prizes

### MAIN AWARDS

- 1. Aversi and Paata Kurtanidze**  
Professional team, social responsibility and contribution to pharmacy and medicine
- 2. Askaneli Brothers and Irakli Uglava**  
Contribution to promoting Georgian wine and exporting wine raw materials
- 3. Carriage Building Holding and Badri Tsilosani**  
Contribution to metallurgy, trucks, passenger carriages and electric locomotives
- 4. Caucasus Auto Import and Giorgi Surguladze**  
Largest car importer, streamlined logistics system and ongoing care for employees
- 5. Geoplant / Gurieli and Mikheil Chkuaseli**  
Powerful Georgian investment brand
- 6. Georgian Express DHL Express and DHL Global Forwarding Official Branch Office in Georgia and Ekaterine Arveladze**  
Fast, reliable and quality services and promotion of exports and imports
- 7. Georgian Industrial Group and Aleksey Vilkhovoy**  
Contribution to the development of energy and logistics
- 8. Georgian Manganese and Merab Lominadze**  
Large employer and exporter and contribution to the development of the regions

- 9. Georgian Products and Davit Bardavelidze**  
Expanding Georgian exports to the markets of Europe and the USA
- 10. Management Systems and Elguja Meladze**  
Development of the business sector through implementation of international standards
- 11. MMT Hospital and Levan Karazanashvili**  
High standard and innovative medical technologies
- 12. NCC and Gegi Kelbakiani**  
Contribution to the construction industry, infrastructure and employment
- 13. Orbi Group and Irakli Kvergelidze**  
Largest Georgian development company and contribution to the development of the tourist infrastructure
- 14. Petrocas Energy Group and Ivane Nakaidze**  
Largest oil refinery network and contribution to economic development
- 15. PSP Group and Gocha Gogilashvili**  
Largest employer and contribution to the development of the pharmaceutical industry
- 16. RMG and Tornike Lipartia**  
Contributions to environment protection, employment and the state budget
- 17. Sano Studio and Merab Sanodze**  
Contribution to the development and promotion of Georgian show business and the country's rich music history

- 18. Schuchmann Wines Georgia and Nutsa Abramishvili**  
Introducing international standards
- 19. Sena Auto Group and Gia Alikhanashvili**  
Wide range of models and quality guaranteed services
- 20. SOCAR Georgia Petroleum and Levan Giorgadze**  
Quality of products, establishment of the highest standards and contribution to the state budget
- 21. Teliani Valley Kindzmarauli Wine-Cellar and Irakli Bokuchava**  
Introducing the latest technologies and contribution to Georgian wine export
- 22. Toyota Center Tbilisi and Irakli Gurchiani**  
Leading importer, using innovative technologies and providing international standard services
- 23. Zarapxana and Nikoloz Nakopia**  
Contribution to promoting the best jewellery traditions
- 24. Wissol Group and Soso Pkhakadze**  
Contribution to the development of gas stations and chains of branded fast food facilities

- 3. Geoprovision and Levan Vachnadze**  
First exporter of Georgian meat products to the EU and USA
- 4. Palace of Catherine at Lisi and Teona Zakadze**  
creative solutions and original style
- 5. Kardanakhi Wine Factory N1 and Nikoloz Kizikurashvili**  
Preservation of historic traditions and contribution to the development of bio-winemaking
- 6. Sevsamora Resort and Spa and Giorgi Gagua**  
Contribution to the development of wine tourism

### ADDITIONAL NOMINATIONS

**Petrocas Energy Group** was recognised as the best employer. **SOCAR** won an award for its contribution to the state budget. **RMG** was named the largest exporter of the year and also won the Corporate Social Responsibility award.

**The Hotel ZP PALACE**, owned by legendary Georgian NBA Star **Zaza Pachulia**, was also given a special award. This was presented to Zaza Pachulia's mother, Marina Kodua, who is a manager of the distinguished hotel.

The favourite media company award, voted on by the participants, was shared by **Pirveli TV** and **The Georgian Times**. **PSP Group** and **Zarapxana** won the journalists' favourite company award, and are therefore holders of the White Eagle.

### TOP INVESTORS

- 1. AIGroup and Kakhaber Guledani**  
Leading green company and contributions to the development of the electric vehicles and renewable energy industries
- 2. Geosteel and Jaspal Singh**  
Largest investor, industry leader and contribution to the construction sector



# XX BUSINESS RATING

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**SPECIAL EDITION**



# Georgian Carriage Building Company Sets New Standards

*Carriage building has a long history in Georgia. The Georgian Carriage Building Company has 137 years experience, and is distinguished both in Georgia and overseas. The company offers closed and semi-wagons, wheat haulers, oil tankers, cement haulers, container haulers and many other types of vehicle.*



The driving forces of this famous company are professionalism and commitment to its work. It is a regular winner at the Georgian Times and

specialises in the design and construction of modern freight wagons and electric trains.

Eight types of freight wagons have been built and certi-

we are due to sign a contract with the South Caucasus Railway (Armenia) to fill a deficit in their wagon stock.

*How did sales increase in 2019 compared to the previous year?*

2019 was a very productive and successful year for our company. Sales increased 250% compared to the previous year, and a lot of interesting projects were developed and implemented, which are important not only for the **Carriage Building Company** but the economic growth of Georgia as a whole.

Our company has also built some new types of closed-type wagons and closed wagons with the aim of adding them to our product range. The certification body has tested and approved them, and the company plans to manufacture them once the relevant certificate has been issued.

*How do you view the*



GORBI Georgian National Business Awards. This time the jury recognised it for its contribution to metallurgy, trucks, passenger carriages and electric locomotives.

Here GT interviews Guram Ratiani, General Director of the company.

*The venerable Georgian Carriage Building Company has always been one of Georgia's most distinguished. How did the company's present form come about, and what determines its success?*

The Georgian Carriage Building Holding consists of three major companies: the JSC Electric Cars Repair Plant, the Carriage Building Company LLC and the JSC Rustavi Metallurgical Plant. The company

fied by the appropriate technical authorities. Our company holds Certificates of Compliance/Licenses for manufacture and repair of all types of freight wagons, the modernisation and construction of electric motors and the production and repair of wheel sets and other spare parts. The reputation of the company has been made by the quality of its products and their relevance to market demand.

*Which markets are you represented in? What are your plans for the future?*

Due to the significant shortage on such products in post-Soviet countries, there is always a high demand on our carriages. The orders from large private shipping companies have largely been fulfilled, but

*planned and expected changes in the Labour Code, and have tightened safety norms increased your costs?*

Even though we have had to increase our expenditures due to the tightened safety standards, I would like to emphasise that it is important to make these changes because both employer and employees will be protected in this way.

*What does it mean for you to win another Georgian Times award?*

We believe business awards such as these are important to maintain healthy business competition in Georgia. It is always a great honour and incentive for the **Carriage Building Company** to win a Georgian Times award.

# GIG Remains the Top Company in Georgia

*GIG is the largest industrial holding in Georgia and lights and warms the country. It operates in almost all sectors of business, but still gives priority to the country's energy sector, the development of which is directly linked to the country's sovereignty, as this is guaranteed by energy independence.*



GIG has been doing a great job for our country over many years, and plans to implement a lot of vital projects in the coming year. It was a winner of a 2019 Georgian Times and GORBI Georgian National Business Award for its contribution to the development of energy and logistics. Here GT interviews Alex Vilkhovoy, General Director of GIG subsidiary GIEC, the one of the largest multi-function energy companies in Georgia.

GIG has won one of our business awards every year, and has previously won the Grand Prize. Which of your many sectors is the most profitable for you?

Although our portfolio is very diversified, the focus is still on energy. The electricity we generate is of utmost importance for the country.

The green economy is our top priority - renewable energy sources, the use of solar and wind power and, of course, hydropower plants. Thus, currently we pay serious attention to renewable energy sources like solar and wind as well as extension of conventional for us hydro generating fleet.

We also take into account seasonality and market conjuncture and increase the generation capacity and efficiency of thermal power plants, using modern technologies that will fill the winter shortages and provide additional opportunities for utilizing renewable energy sources.

*What does bearing such a strategic responsibility mean for your team?*

It is a huge responsibility. More than half of electricity produced by thermal power plants in the autumn-winter period comes from our Group. It is particularly important to us that the stability of the country's energy supply depends on the reliability of our power blocks. So ensuring energy security is our top priority.

*How successful was 2019, and what are your plans for 2020?*

We had quite a difficult year, especially in the field of hydrology, perhaps one of the most challenging within the last decade. This had a negative impact on the Hydro Power Plants. We also encountered external chal-

lenges, environmental factors which were beyond our control and which we lack the resources to deal with. Sadly, these are large-scale problems which pose serious dangers to investment activities and hamper the implementation of projects in both the renewable energy and hydro infrastructures.

However, a number of laws were adopted at the end of the year aimed at boosting energy investment. Steps like these give us optimism looking ahead to 2020 and beyond.

In spite of these challenges, we restored and modernized our generation facilities according to plan. From January 1, 2020 we significantly increased the wages of our technical personnel working on hydro and thermal power plants. We are also improving their working conditions, an indispensable and constant priority of our shareholders.

We entered foreign markets in 2019, and rapidly completed the construction of a 7 MW solar power plant in Ukraine. Not only did this create a foundation for future development, it gave us unique experience of implementing a large-scale solar power plant project. I would like to reiterate that our top priority is Georgian projects, and as yet there are none of this scale.

*The world is switching to a green economy, and GIEC has been working on wind stations for a long time. What developments should we expect in this segment?*

Georgia's solar power potential is unexploited. However, the sun levels here are amongst the most attractive in the world. Wind energy also has great potential for development.

However, flexible and efficient heat generation will remain a cardinal segment. We plan to significantly upgrade our power generation facilities by means of transition technologies, systems which will maximize hydrocarbon utilization efficiency and minimize environmental impact. We have presented a specific proposal to the state, and technical works are currently underway.

*What were your outstanding social responsibility projects in*

*2019, and how does your staff incentive campaign work?*

A business's responsibility does not end with the economic development of the business and the country. Our team's strategic vision is focused on social responsibility, as is reflected in our large scale projects, including those concerning ecology, education, sports, the army and the support of our elders. GIEC is one of the prominent partners of the Wounded Fighter Support Fund. We are actively involved in charitable activities run by the Children's Palliative Care charity Fireflies for the Country. Our company sponsored the training grant for the development of engineering professionals in our country.

We may even say that we were innovators in presenting traditional corporate gifts. We have got our partners involved in significant New Year promotions, and are helping boarding schools in the mountainous regions with money allocated as a New Year gift. We are happy, most of all, that this tradition has already become "infectious". Our company was joined by the European School and other companies to make our new friends happy.

Last year, the company purchased inventories for boarding schools in Barisakho and Magharoskari as part of a similar promotion. With the support of our company, the Public School of the village of Bershueti near the administrative border with the occupied territories has been able to build a modern, well-equipped gym. GIEC has also bought handmade items from internally displaced children in the settlement of Akhalgori.

This year, we participated as usual in the worldwide charity campaign Wings For Life, within which we made a modest contribution to the Spinal Cord Injury Research and Treatment Fund.

For a large industrial company, environmental issues are of the utmost importance. We are distinguished by our large-scale green projects. The campaigns Green is our Choice and Leave Your Green Footprint have seen numerous green activities conducted in various regions of Georgia, including educational campaigns.

Taking care of our employees is our top corporate social responsibility. We offer our staff a comfortable working environment and green areas for relaxing in, including fitness centers and high quality insurance services.

One of the top priorities of the group is to increase our employees' motivation to enhance their qualifications and professional skills. To this end, team members are given the opportunity to participate in various training sessions and can attend training courses throughout the year.

# Wissol Group - Diversified Businesses where Synergy Gets Results

*The Wissol Group has been building a successful portfolio for over 20 years. Beginning as Wissol Petroleum Georgia many years ago, the group is now a conglomeration of well-known brands such as Wissol Petroleum, Smart, Wendy's, Dunkin, Vianor and Alma, which are associated with reliability and high quality service.*



At the 20<sup>th</sup> Georgian Times and GORBI business awards, Wissol Group was recognized for its contribution to the development of gas stations and chains of branded fast food chains. Here GT interviews Dr. Samson Pkhakadze, President of Wissol Group, about its ongoing success.

**What specific benefits has diversification of the business brought?**

Synergy has yielded favorable results because the diversification of the business has provided a good opportunity to efficiently manage risks and ensure long-term sustainability and stability. Every one of our brands has made its own contribution to the success of the group.

**What does it take to succeed in business?**

There is no single recipe, but there are preconditions. The most important thing when you are starting out is to properly identify the niche you are trying to fill in the market you want to operate in. Then you need determination - don't be scared, because business is not easy. There will be failures and challenges, but once the goal is set you should never take a step backwards. Thirdly, although it may sound trivial, it is essential to love your work and work hard. If you don't love what you do, you will find it difficult to succeed. I doubt that anyone could do a job they don't like for 20 years and be successful.

**You began with petroleum products, then the group expanded and grew. How do you manage a group in which each brand is part of a different business segment?**

As everyone is taught at business school, it is good for a business to diversify. Countries like Georgia, with their economic conditions, can suffer internal and external shocks, and there are many non-financial factors which can also affect the economy. This is why our diversification strategy is even more valuable.

A diversified business is more flexible when it comes to problem solving. You can never think only of yourself, there are a lot of people behind you and you have the responsibility to consider that at all times.

Diversification means we face significantly less risks. However, there are limits to how far it can go. No diversification is successful when the company goes wildly beyond its main business profile. It should be underpinned by knowledge and experience: for example, we diversified into

the retail sector, and as commercial real estate development is linked to the retail trade, we were able to move into that area as well.

We try to use the experience we have acquired over the years to create new companies. The factors you need to consider when deciding whether to diversify further include the experience, professionalism and fundamental values of the proposed new member of your group.

**How do you deal with the sort of shocks you have mentioned?**

When critical situations arise, the most important thing is to keep your emotions out of them. You have to make rational decisions, and when you make decisions which are free from emotions, 99% of the time you win.

**How successful was 2019, and what was the most important challenge you faced this year?**

Overall, Wissol Group did a good job in 2019 compared to 2018. This makes us happy, because the more financially strong you are, the more you can do. This year we want to achieve even more, though the exchange rate of the national currency will play an important role in this regard.

According to a recent survey by the Business Association of Georgia, the most important challenge businesses face today is the exchange rate of the Lari. This is a measure of the strength of the economy, and its fluctuations directly affect every sector. Most of the business revenues are generated in Lari, and its depreciation decreases consumer purchasing capacity. As incomes are received in GEL, but a significant portion of expenditures are made in foreign currency (as the country relies on imports), this naturally creates a serious problem.

I am glad that the Lari has recently strengthened in the domestic currency market, and the risks of foreign shocks have minimised. The situation in our trading partner countries has improved, and depreciation of the currency has already ceased. I hope this process will continue. The strengthening of the Lari is very important for our economy, and will have a positive impact on our citizens, their incomes and their faith in the future.

The key to any country's success is a strong economy, which creates a strong business sector. You will not find a successful society with a weak economy. When a country has a strong

economy incomes improve, there is more funding in all areas, there is hope for a better future and so forth. A strong enough economy creates strong business, and business creates the basis for the further success of the economy, which ultimately impacts on the well-being of the population. We should all address these topics together.

**How important is social responsibility, and what does it mean to you as a successful company?**

Today a lot of people still believe that CSR is charity, but social responsibility does not only mean charity but overall ethical business performance, your attitude towards your employees, the working environment, health and safety etc. I don't want to give specific details, but the public see and appreciate our work. We have about 5,000 employees in our group, each of which is equally valuable to us, and we have a great responsibility to them.

**How successful was the decision to use Georgian products at Wendy's and Dunkin instead of imported goods at your franchises? Was this a form of social responsibility?**

Naturally, this was a good decision. We use only Georgian products, and prepare everything onsite. Our food safety standards are at the highest level. The products we sell are fresh, and this has significantly increased both customer numbers and revenues. The introduction of a delicious Italian pizza at Wendy's was also a great success. It has brought Wendy's new customers, which is a matter of great happiness to us. A number of technological innovations have also been successful.

We may say that this practice is in line with our social responsibility: we supply Georgian food to our restaurants and also help other Georgian businesses, for example Marche, which provides us with meat products such as beef, chicken and burger buns. These products are delivered on a daily basis, and everything we produce fully meets the approved food safety standards, which have been in place at Wendy's and Dunkin internationally for decades.

**Can you expand on your plans for 2020?**

We are currently building a new shopping centre in Rustavi. It will occupy 12,000 square metres of the city centre. Carrefour will be the main leaseholder, and will open a 3600 square metre hypermarket. There will also be fast food stores, both our own and those of other brands, and various other retail outlets.

We are also planning to expand our Wissol Group recreation and service centre on the Gori part of the highway. The expansion of the existing facilities there has been driven by increased customer flow, and quite possibly we will introduce other brands there as well. Naturally, we also have other exciting projects in different areas, which we will implement gradually throughout the year.

I'm optimistic, and business cannot be run without optimism.

# Caucasus Auto Import Keeps Them Coming

*Caucasus Business Group remains the most reliable and streamlined network in Georgia. The group covers a couple of sectors, and one of its companies, Caucasus Auto Import, is the only car importer which offers a full package to its customers.*



The company has already moved beyond Georgia to become a major player in the region. In 2020 it intends to enter new European and Asian markets.

Caucasus Auto Import won three awards, at the Georgian Times and GORBI Georgian National Business Awards: for **largest car importer, streamlined logistics system and ongoing care for employees.** Here GT interviews Giorgi Surguladze, Founder of Caucasus Auto Import, about the future plans of the company.

**Ukraine was your target market in 2019 - what results did you achieve? Is re-export growing? How do you position yourself?**

We represent Copart, which is the largest US auto auctions company, in the eight largest cities of Ukraine. Kiev and Kharkov have the largest Copart lounges. Copart runs auto auctions in which cars reclaimed by insurance companies are sold. It operates on a large scale, over a wide coverage area.

We are represented on the markets of Armenia, Ukraine, Kyrgyzstan and Azerbaijan. We have big plans, we offer an appropriate products to each country, both luxury cars and relatively inexpensive ones. Luxury electric cars are in demand in Ukraine. It's a large market and very interesting to us. We are focused on establishing and expanding there.

**Is there a Copart lounge in Tbilisi?**

We have one in Rustavi, and others will soon open in both Tbilisi and Batumi. We want our customers to enjoy high standard services.

**Is there a demand for electric cars, now Europe is adopt-**

**ing new regulations to promote environmentally friendly cars?**

Georgia is distinguished amongst regional countries by its demand for hybrid cars. The Toyota Prius is in particularly high demand. Electric vehicles are not as popular yet. However the electric vehicle infrastructure is improving here. There is not a proper such network in the neighboring countries yet, but we are preparing to tackle the challenges of global warming as a priority. Demand for environmentally friendly vehicles will slowly increase, and we will be ready for it, as the key to customer satisfaction is providing convenient services.

**Do you face challenges in the growing vehicle market? What does the market need, and what would you as a major auto dealer recommend?**

Our company is growing fast. Sales have doubled and their range expanded. The import index is 70,000 annually. But the industry itself is also growing and evolving. There is a competitive environment which is of paramount importance for the market.

Nonetheless, there are still some untrustworthy companies out there. There are still some cases of consumer frustration due to dishonest activities. But the era of doing business through deceiving clients is nearing its end.

Everyone should understand that business is about taking care of customers. The success of a company is determined by the offering of new technologies and the level of customer satisfaction. Continuous updating of services is also important in preserving positions,

and we are constantly striving for this.

**One of your awards is for taking care of your employees; a happy employee will probably serve customers better. You probably don't feel like a stranger at these Awards?**

It's the best environment in which to meet and share your success with your colleagues. It is very nice when you are appreciated and nominated for your work. It's kind of a stimulus. We can talk about common business interests and share our ideas and experiences and listen to each other. This is what our country needs.

**How do you evaluate the recent regulations imposed by the government, in particular the additional requirements for right-helm and gas-engine cars?**

That was a fair decision from the beginning. Time and statistics have shown that the restriction was right. Increasing the number of right-helm vehicles would increase the risk of road accidents. As time goes by, we should keep pace with the modern era, and the Zuckerberg-predicted generational changes. The so-called millennials are now in the frontline. We should not fall behind, and must think about the new ecosystem and introduce plant technologies. Young people will eventually take the leading positions in business sector, which makes us very happy.

Caucasus Auto Import plans to strengthen its position with high-tech services and innovative financial instruments, which can be accessed within and outside Georgia. The results of these will be discussed at the 21st Georgian Times Business Awards.

# NCC Construction – A Quality-Oriented Successful Company

*The head of the largest development company in Georgia is a lady. Maia Jimshelishvili, who is also the owner of the “Ambience”, a very popular boutique of furniture and interior accessories has now been appointed the general director of NCC.*

Here GT interviews her about her plans for the company.

**How do you feel about being appointed to this post?**

This is a great challenge for me. I thought a lot before I accepted the offer, but in the end, I said yes.

I have already begun to analyse the company’s activities and projects in detail. First of all, I will create a team. I created the perfect team at Ambience, and can totally rely on them, so I have that sort of experience.

The ultimate goal is to complete the large infrastructural projects we have already begun and to win new tenders. We aim to operate successfully both in Georgia and abroad. Gegi Kelbakani will work on the strategic development of the company, while I will concentrate on man-



**How would you assess Georgia’s business environment, and the emerging trends and challenges the construction sector is facing?**

Construction rates are pretty high in this country, both in

best price but achieving the long-term growth of local construction companies and giving them the opportunity to make investments in basic business elements such as human resources and construction equipment. This will



aging it. NCC Brand quality is something that will never change.

The company is not focused on one particular area of work - all infrastructural projects (roads, bridges, tunnels, underground communications facilities, parks/recreation areas) and types of building (residential, hospitality, medical and entertainment centres, etc.) are within the company’s sphere of interest.

Gegi Kelbakani, the founder of the company, also spoke to us.

**NCC has undertaken some serious projects over the past few years. What has brought you such success in such a short time, and what is your company’s formula for success?**

We believe the key has been our ability to find highly-qualified engineers and staff with modern managerial skills and visions and maintain a balance between them. This process is dynamic by nature, and the company rotates its staff to maintain this balance.

During a very short period the company has completed more than 50 projects of different scope and complexity, including a number of so-called Tbilisi landmark projects.

the public and private sectors. Nevertheless, it should be stressed that the business environment is rather difficult for construction companies. The main challenge is price, which is becoming the determinant when clients select a construction company, and the absence of regulations (they are practically non-existent), which opens the door to a lot of inexperienced companies and generates a high probability of inappropriate practices being followed. These factors create an extreme reduction of profits and in some cases even losses.

Construction companies no longer have the resources to introduce new technologies, identify and educate new engineers and make investments. Without all these elements, the engineering potential of the country will be put under significant threat in the long run.

Georgia is a developing country, and thus there is a great need to develop its infrastructure. As a rule, business is not a supporter of stringent regulations, but there is a need for some regulations that will protect both clients and companies.

The tendering process ought to be about not only getting the

result in a developed sector and increased construction quality, which will create cost-effectiveness for customers in the medium and long term.

**What is your company’s priority?**

High quality continues to be the unvarying value of our company. We believe that compromises on quality are inadmissible. This is why it often becomes necessary to make changes in projects and send them for further elaboration.

This creates additional expense for our company and delays construction, which in turn causes more problems for the company and the population. But we regard quality as a binding thing, which is worth incurring additional costs for (even at the expense of one’s own profit).

However, no company can operate this way forever. Government agencies and other customers should take steps to decrease the losses generated by trying to do the best job we can. This socially responsible approach should be adopted by all construction companies, but regrettably this does not happen, and we see an absolutely different picture in Georgia today.

# Orbi Group Developing Georgia’s Future

At the 20<sup>th</sup> Georgian Times and GORBI Georgian National Business Awards ORBI Group won awards for being the largest Georgian Development Company and its Contribution to the Development of the Touristic Infrastructure. Here GT interviews Irakli Kverghelidze, General Director of Orbi Group, about its continued success.

**How do you feel about winning more Georgian Times and GORBI national business awards?**

2019 was a very successful year for our company. We brought a number of projects to fruition, which will bring us even more recognition in the near future.

Orbi Group received numerous international awards last year, but we are particularly proud of our Georgian Times awards, as they are very important for us. Firstly, Orbi Group is an entirely Georgian company, and we are pleased to be recognised in our own country. Secondly, we take pride in having been nominated for these awards for many years, and thus retaining recognition as one of the leading companies in Georgia in our sector. Being recognised as the largest Georgian development company places on us a greater responsibility to respect and maintain this status.

**What kind of resources do you dedicate to tourism sector development? How much investment is made?**

Every successful investment carried out by Orbi Group directly underscores the success of the country and its unique investment environment. Thousands of our employees work on a daily basis to make our investments successful. The number of investments increases year on year, and these directly affect the development of the town or settlement where they are implemented. Overall, we make a significant contribution to the economic development of the country.

We see tourism as one of the most important segments of Georgia’s prosperity. This is not merely our observation - all statistics show that the number of tourists entering the country has doubled over the last 7 years.

Our ultimate goal is to make Bakuriani and Bakhmaro all year round holiday destinations. The state has the same intention. We are not only working to develop modern European standard infrastructure but also train our staff to serve our guests on a daily basis.

A wide range of choices is the most important component of the tourism infrastructure, and we will always be guided by this principle. Quite possibly, this is one of the “secrets” of our success.

**Are you focused on building a massive or niche tourism infrastructure?**

Reality has shown us that the number of existing beds is insufficient to accommodate the growing number of tourists. Accordingly, our hotel complexes are distinguished from others in Georgia by the price competitiveness and number of rooms. Our Orbi City project is one of the largest not only in Georgia but in Europe.

Our specific geographical location has convinced us of the need for both a massive and niche tourism infrastructure. Both components are very important for us, and the company is constantly analysing need.

Tourist flow to Georgia increases by 20 percent annually. Batumi, Bakuriani and Bakhmaro are becoming more and more attractive to both foreign and local visitors. Our company, Orbi Group, has the honour of hosting and serving many of them.

**How do you attract these customers?**

The first reason is that Orbi Group has been operating successfully for two decades. None of our projects have been unsuccessful. We offer our real estate customers a full suite of services, which means not only ownership of an apartment but a source of business income.

Orbi Group is now one of the leading construction companies in Europe. We have built about 3 million square metres of real estate and employ more than 6,000 people. We offer fully maintained furnished apartments in beachside locations. We only use building materials from leading manufacturers, and employees receive quality training on an ongoing basis.



Each construction begins with the invitation of specialists, consultants, research groups and designers who ensure its quality meets the highest international standards. This is a guarantee for our customers.

**What kind of projects are in demand at the moment?**

I have mentioned several times, and would like to repeat - all our projects are designed for the future. A customer who buys an apartment from Orbi Group knows they are investing in the future. They have the property plus the income. Within four years, they have paid off the purchase price by renting their apartment out. As a result, they have a stable income which ensures their economic position.

There is demand for such projects from customers from all over, not just Georgia. Orbi Group apartments are owned by people from all over the world. Georgian legislation and the services provided by our company enable them to acquire property within a minimal time and in a very convenient way.

Orbi Group is the leading company in our country in terms of sales. Our branch offices in various countries around the world conduct these very well.

**What kind of price category do your projects fall into?**

We pay particular attention to this. No project begins without a preliminary price observation. Orbi Group projects are not designed for a single consumer segment. Our apartments are affordable for all. We have an effective installment payment mechanism, which can be accessed within a short time by presenting an ID card at the bank.

**Do you promote healthy lifestyles in your projects?**

It is agreed around the world that both recreation areas and residential complexes should be built in a green environment, due to current environmental challenges. Our projects are outstanding in this regard, because we are building apartments on the seaford in Batumi. Our Orbi Group complexes are only 10-15 metres from the seaside boulevard, which is equipped with a treadmill and walking and bike lanes, enabling the vacationer or apartment owner to engage in sports activities at any time of day if they wish.

The new complex being built at Heroes Alley will be even more appealing. Orbi Luxe Palace is being built in a recreational area, and guarantees both the preservation of the extraordinary open area that makes the Heroes Alley outstanding and the creation of a much greener space.

You will be able to enjoy breathtaking views of the sea, mountains and Batumi landscapes from all the apartments, depending on where they are in the complex. Promoting a healthy lifestyle is one of the key priorities of Orbi group.

**Do foreign customers prefer the sea or the mountains?**

We endeavor to minimise our prices on both Georgian and European markets, so customers of all categories can afford to purchase our apartments and receive their economic benefits.

As for terms and conditions, any prospective purchaser pays a minimum of 10% of the price up front, with the rest spread over a certain number of years. However the apartment owner has the opportunity to rent his/her apartment and earn income from the first day. The income earned from renting it out pays for the whole apartment in a short time.

Foreign interest is increasing year on year. That’s why the company has 55 branch offices in 19 countries. We already have customers from 72 countries and the number is growing.

Sea and mountain resorts attract the same levels of interest. Our complexes in both Batumi and Bakuriani are open all year round, and attract customers in all seasons.

**What were the challenges you faced in 2019 and what were your achievements?**

In 2019 Orbi Group gained significant international recognition. The company has received numerous awards throughout its existence, highlighting the excellence of its operations, progress-oriented management and top-of-the-line projects, but last year was particularly successful for us. Orbi City was once again recognised as a distinguished and world-class project by a global audience.

On October 24, London hosted the prestigious European Property Awards. These are the European development “Oscars”, awarded by the most reputable experts in the world to companies which meet all the latest standards in construction and development. Orbi City, our five-star hotel complex, won these “Oscars” for Best Leisure Development and New Hotel Construction & Design.

At the end of October, Orbi City won the prestigious Russian award Best for Life 2019 in the field of Development and Architecture. This demonstrates the importance of our company’s commitment to high-quality materials and construction, renovation, interior design and landscape planning services, which make our residential, leisure and working spaces not only attractive and fascinating but also comfortable and environmentally friendly.

Also in October, Orbi Group was awarded one of the International Awards at the Top 2019 Awards Congress. This was imposed by the Investment Congress and popular international media outlets The American Reporter and The New York Journal.

This international recognition has been won by our efforts to develop the investment, philanthropy, medicine, innovation, PR, integration and international partnership sectors. Our company was also nominated for Best Foreign Builder, for which the awards ceremony was held on October 4 at the Nymphenburg Palace in Munich.

**Can you expand on your plans for 2020?**

We have begun implementing a very important project. The Orbi Luxe Palace is a 32-storey modern hotel complex with sophisticated infrastructure, restaurants and cafés, open terraces, panoramic views of the sea and mountains, a fitness centre, shopping and entertainment areas and a children’s playground. The complex offers a wide range of apartments. Room service, reception, cleaning, security and maintenance will be available for all owners and guests any time of the day or night.

You can live in Orbi Luxe Palace apartments and also rent them out if you wish to with the assistance of our management company. The complex is located at Heroes Alley, one of the most attractive tourist destinations of Batumi, five minutes from the sea.

Anyone who purchases an Orbi Group apartment invests in most desirable real estate whose value increases daily.

# Toyota Center Tbilisi – Make Your Dream Car Come True

*Toyota Center Tbilisi has been operating for more than 22 years and offers Toyota brand customers the highest quality and most reputable Japanese cars.*

There is another Toyota dealer in Georgia, but Toyota Center Tbilisi isn't afraid of competition and has maintained its popularity and high standard of competitiveness. Its showroom and service center are in line with international standards and tailored to the comfort of customers. The company offers both a wide range of latest model cars and original spare parts and accessories.

Toyota Center Tbilisi has won several Georgian Times and GORBI Georgian National Business awards over the years. This



*The volatility of the GEL has had a negative influence on the business sector, what kind of challenges do you face?*

2019 was not a particularly

measures to move us to Euro 5 standard fuel.

*Hybrid cars have recently become common in Georgia, which is your most popular such model?*

Despite the growing number of hybrid cars in Georgia, this segment is a drop in the bucket. We cannot import such cars without changing the public mentality. The RAV4 is in high demand compared to the other models, as they are quite expensive, RAV4 is approximately 5-7 thousand dollars cheaper.

*What are the immediate prospects for electric cars in Georgia?*

I see no prospects for them, and I would not use an electric car in Georgia. This is a mountainous country, so if a car runs 100-120 km per charge in Europe it will only run 70-80 km per charge here. Moreover, we lack fast charging points. Consequently, hybrid cars are much more popular than electric vehicles.

*Can you tell us, why are Hybrid cars so popular and why should customer choose Toyota Hybrid?*

In the first place, it is a tested and reliable technology. Despite the fact that the Hybrid system itself is slightly more expensive than the conventional one, Toyota Hybrids not only save money by using less fuel but are also more affordable to service. There's nothing complicated about Toyota Hybrid car technology, in fact, it may be even easier to drive than the car the customer is used to. Driving a Toyota Hybrid in winter is the same as driving a conventional car in winter. New Toyota Hybrids are equipped with Traction Control and Vehicle Stability Control systems, which help to maintain traction and control on slippery or icy road surfaces.

Toyota Center Tbilisi offers customers various Hybrid models - Rav4, CHR, Corolla, Camry and others. Customer, who chooses our Hybrids, will soon discover the advantages Toyota has spent 20 years on developing.



time it won awards for being a leading importer, using innovative technologies and providing international standard services. The company overcomes the distance in time and space between Georgia and Japan and makes your dream car come true.

According to **Irakli Gurchiani**, Founder and Director of Toyota Center Tbilisi, when the company became an official Toyota dealer only Mercedes and BMW had representation in Georgia. Toyota was not a well-known brand in our country. However, the current popularity of the brand is due to Toyota Center Tbilisi's presence on market which started from 1997 year. Here he tells GT the secrets of his success.

*What is your company's mission?*

We want to make Toyota the leading marque in Georgia. Toyota Center Tbilisi serves the people and never cheats them, and maintains its popularity for this reason. We have never offered non-original spare parts or oil to our customers and I believe our customers appreciate this, and that is why we have won their trust.

challenging year for us. However, we suffered considerable loss due to the devaluation of the national currency. We had participated in state procurements conducted in the national currency, and were thus obliged to provide services for the price determined at the time of procurement, thus working without any profit. Nonetheless, we managed to increase business by 10% by year end.

*Did bank regulation have a negative impact?*

The bank regulation did not affect the car sector, which was successful in 2019 as usual.

*You often talk about the low quality of fuel in Georgia, have there been any changes in this regard?*

Nothing has changed so far. The quality of our petrol and diesel is quite low. No respectable countries use such low quality fuel. I cannot talk about the other car brands, but we are not able to import Toyota Euro 4 and 5 cars because these run on Euro 5 standard fuel, which is not available in Georgia. Our fuel standard is 0. People are being poisoned by car exhaust fumes, and the government should take

# Georgian Manganese Holding – Putting Georgia on the World Industrial Map



*The Georgian Manganese Holding is the largest Georgian manganese and ferroalloys producer. It believes in continuous development, which is why it is the market leader. Despite the present challenges, The Georgian Manganese Holding remains a significant exporter and has maintained a strong position on the global market.*



In addition to attracting investment, the company has undertaken a lot of social responsibility projects over the years. It is heavily involved in environmental protection. As a matter of policy, heavy vehicles loaded with ore and concentrate have been forbidden from using the highways near the plant in Chiatura. Ore is now transported by rail, and the company has invested heavily in the local railway infrastructure, purchasing two new generation TEM2 and TEM-2-U wagons. This frees the town of dust pollution.

The company has also purchased eight universal sweeping and washing machines, which operate from 05:00 to 14:00 daily. Four of these are used at the Chiatura Mining & Enrichment Plant and four at the Zestafoni Ferroalloy Plant. They can be used for cleaning and watering the streets, clearing snow from the roads and watering plants and lawns. As a part of these cleaning activities, bridges, railings, walls and truck stops are kept clean and free of pollution.

The Georgian Manganese Holding conducts tech-

nical and biological renovation works on an ongoing basis. In 2019, pit areas were recultivated.

The company has gained a number of awards which confirm its standing. At the 2019 Georgian Times Media Holding and GORBI Georgian National Business Awards it was recognised as a large employer and exporter and for its contribution to the development of the regions. Winning these awards is a matter of great pride and motivation for The Georgian Manganese Holding.

# Geoplant – Hot or Cold, it Has the Tea For You

*At the twentieth Georgian Times Media Holding and GORBI Georgian National Business Awards Geoplant was named a powerful Georgian investment brand. The company began as Gurieli 11 years ago, and now competes on both the local and international markets.*

Here GT interviews Mikheil Chkuaseli, its General Director, about the motivations of the company.

**What drives your company to seek continuous innovation?**

First of all, I congratulate you on the twentieth anniversary of the Business Awards. These sort of events are a great stimulus for us. We are honored to have been named amongst the successful Georgian companies. The creation of products and services is one aspect of this award, and the creation of a brand with its own values is the other. This adds the content to your product and services, which is of the utmost importance for customers.

The value of the brand, the quality of its products and services and their availability to your target customers are the main parameters of our business development framework. But you won't be able to develop if you remain solely with a framework. This fact encourages us to seek further innovations, which will broaden this framework and enable us to make progress.

In 2019, we thought it would not be right to be represented only in the so-called classic hot tea segment, so we started producing cold soft drinks. Cold Gurieli is now a very popular Georgian soft drink, a high quality product in high demand. The brand has its own distinct value, and attracts customers in this way.

We have planned a lot of developments for both hot and cold tea customers in 2020, and will have important marketing novelties in the existing products. We promise our customers to offer at least one surprise every month.

**How congenial to innovation is the current situation in the country?**

The existing situation, space, opportunities, achievements, are never sufficient. As soon as you think something is good enough you make a mistake, as the quest for innovation ends there.

We can make comparisons with previous years, and compare the business environments of different countries, but we cannot be happy with our achievements for more than a day. There must always be new goals, new tasks to be performed.

Another important fact is that the business environment is created by business itself, alongside the other internal and external factors.

We face different challenges at different times, and these will continue to exist. The easiest thing to do is give in, and it is pretty hard to cope with challenges and set an example to others, but you should never be afraid of challenges. When you trust yourself, when you are dedicated to your work, when you have a team of professionals and satisfied customers, you realise the environment in which you live and work is being created by yourself.

**When did the company start working on brand building, and how did it gain traction on the local market?**

Gurieli launched its first product in 2010, so 2020 is our 10th anniversary. We gained traction from the very beginning, as customers made Gurieli one of their favorite products. We feel their support all the time.

Customers are very sensitive to quality. We have received a lot of praise and comment. I am glad that these comments are only benevolent, a motivation to create something better. We strive to respond to our customers' requirements as quickly as possible, and provide feedback effectively and timeously.

It is also very important to continually offer novelties to your customers. In addition, the appropriate marketing strategy creates the popu-



larity of the brand and the support of customers.

**What types of tea does the company produce, and what is in most demand?**

We are a tea producing company involved in the production of both so-called raw tea and packed tea. We produce all types and qualities of black and green tea, and classic and dry fruit packaged tea. We will resume the production of herbal tea next year.

**How do you compete on the local and international markets?**

Competitiveness is key to market success and it is a multi-component issue. The competitiveness of a product should be determined at the very beginning of its creation. You should think, what are we creating? Whom is it for? How do we position it? What are the values we are loyal to? How do we respond to customer needs in terms of quality and price? Why should a customer pay that price for our product? How does that price fit the market in our segment? When you can theoretically answer these questions you can begin creating a product - quality, packaging, colors, design - everything should fit together, not from your standpoint, first of all, but from your customers' standpoint. When you create your product you should keep in contact with your customers and enable their participation in this creation.

When we began making cold tea, we created up to 20 focus groups to customize its taste, and then gave the products to another select group of people who would test them in their usual environment. When a product is created, its placement, price and marketing support are of the utmost importance. You will not be competitive if you ignore this.

If you don't have everything in place, you should expect problems. This, for me, is the secret of competitiveness.

**The design of Gurieli packaging is outstanding; which company helps you in this regard?**

From the very beginning, we have worked with the American company Ogilvy, and this is valuable and important for us. We worked with the Livingston company last year during the creation of cold tea, and I think we achieved pretty good results. These are the best examples of collaboration and partnership in the history of Gurieli.

**Gurieli has begun the production of bio-tea. What demand is there for this, and which price segment will it target? How much do**

**you produce? We know that it was originally presented in Agro Hub, but do you now work with the other supermarkets?**

You are talking about Gurieli Tea Gardens, which have not received a bio-certification yet, but quite possibly will receive one in 2020. It takes time to obtain a bio certification. We work closely with Geoflower, our partner company which exclusively prepares and supplies the raw materials we need for fruit tea. It has also begun producing bio tea, and we likewise plan to expand our bio tea production. We are bound to have Gurieli Tea Gardens alongside another new line, which will contain only bio products, next year.

**How much do you export?**

The raw materials we do not use in our branded tea are entirely exported. These amount to about 100 tons of tea. The volume of packaged tea exported is significantly more modest, approximately 10 tonnes. But the numbers are so different because the prices of these teas differ.

In the end, we all want to send more to export than the local market, and this is our urgent task.

**What kind of challenges do you face at the moment? How would you evaluate 2019, and can you expand on your future plans?**

The biggest challenge of 2019 was the depreciation of the national currency. The majority of Georgian production still depends on imports, including those of packaging materials. We need to start replacing these imports right away, but it is not possible to change everything in a day. Business requires stability in order to plan for the future and then implement these plans. In this regard, the stability of the Lari is a major determinant. Accordingly, issues such as inflation, access to loans and overall macroeconomic stability and foreseeable monetary policy have to be addressed.

The state makes a lot of effort to encourage local production. There are a lot of programmes promoting the development of business. The development of infrastructure is undoubtedly a positive factor, which is why I would like to emphasize that the strengthening and consolidation of these positive developments will affect the exchange rate of the depreciated Lari.

In my opinion 2020 will be a successful year, and we have laid a strong foundation for this in cooperation with our partners. We plan to expand on both local and export markets, and in significant quantity across all segments.

# Aversi – The Best Medicine

*Aversi has long been a most reliable and caring company. A frequent winner of big prizes at the Georgian Times and GORBI Georgian National Business Awards, the pharmaceutical giant has been taking care of the health and beauty of more than 2 million customers for over 25 years.*

The previous Grand Prize holder has won awards for professional team, social responsibility and contribution to pharmacy and medicine this time round. Here GT interviews Paata Kurtanidze, Founder of the company.

**New players have emerged on the pharmaceutical market, but no company enjoys such a high level of confidence as Aversi. How do you maintain customer loyalty?**

Aversi has been operating since 1994, so it has already passed through a quarter of a century. During this time, it has been focused on constantly updating. Innovations and new standards are being introduced which ensure our steady development.

The key is to always be cus-



tomer-focused, but also difficult to fulfill. The first and utmost thing is to ensure the health of every citizen - that's the target.

A team approach is also very important, as you can

countries. We are expanding. We plan to add new lines for 2020 and are sure we will achieve success.

**Aversi was the first company to run a social responsibility project. What are the principles behind this?**

The company is a great protector of large families. We have run glorious projects throughout and still continue to help large families. We have helped over 4,000 million families, and this is only part of our large-scale campaign.

We undertake a lot of social projects. Many are known only to their beneficiaries, they are not high-profile. We support all veterans and active athletes. They do not have to pay for treatment, surgery or medications. We also have various activities for children. And it is our duty to support the country.

**Aversi is the GT Awards' most honoured company, having won numerous prizes. This time you have won a couple more. What does public image mean to the company?**

The benevolence of society is the most important thing for every successful company, including Aversi. We need positive attitudes from our customers.

**How useful is the Georgian Times national business awards platform?**

Your platform always makes us happy, which is much needed, and, perhaps, required. It's kind of an incentive. Sharing success in a friendly, festive environment is very pleasant indeed.



tomer-focused, and to feel what they need. The market is like a living organism, if you don't evolve you won't make progress.

We strive to launch new product lines. Many interesting projects have been implemented in previous years, but especially in 2019.

Aversi has maintained the status of a successful brand. It has 2 million customers per month and its ultimate goal is to take care of them.

**Aversi is a key player on the market, a kind of example to others. Aversi Clinic is also the most popular hospital. Everyone you ask likes your clinic - why?**

The formula is quite simple,

achieve anything in combination, at least in Aversi. We've seen this for more than 25 years, and it is great when you receive such feedback from your customers.

The clinic is being developed, innovations are being made and technical equipment is being updated. It is one of the best clinics for both technical equipment and professional staff. The Aversi Rationale has gained the appropriate recognition, but this places a responsibility on us to do more.

**How many countries do you export to, and have you expanded your portfolio of export products?**

We have very big plans. We are represented in dozens of

# Askaneli – the Romance of Wine

*The story of the magical village of the Brothers Askaneli, who are in love with wine, has already gone beyond the borders of Georgia. The activities of this Company include both Guria and Kakheti. In winter it is Chkaveri and in autumn it is Rkatsiteli, which sparkle together, sweeten and inebriate.*

The Askaneli winery has once again gone home with an award from the Georgian Times and GORBI National Business Awards, this time for its contribution to promoting and exporting Georgian wine and spirits. Here GT talks to **Irakli Uglava** about this latest success.

**How do you promote Georgia through your work?**

Vine planting and protection of family and homeland have been regarded as the same thing by any Georgian for the past 8,000 years.

Once Georgia was full of vineyards, and many remain. There were vineyards on the valleys and vineyards in the mountains, and this culture will continue until the end of the world.

Georgian wine has many customers, but not so many truly appreciative and caring ones. There are few companies associated with quality, but Askaneli is amongst these, due to its experience and history. That said, we are not just focused on tradition but on continuous development. The 2020 Vintage will be different to all others.

**Which projects did you undertake in 2019?**

We completely retooled the enterprises (the wine is pressed in Kvareli and bottled in Tbilisi). They are now fully equipped with new appliances, thanks to an investment of 1.5 mln Euros. Our laboratory applies 25 inspection parameters to ensure proper management of the technical cycle of wine making.

**Which was your best export market in 2019?**



Each market is important, but demand has increased in Sweden. In the USA we have begun launching new projects in partnership with local business groups. Askaneli's partner company has become the largest distributor in the Baltics, and we plan to expand export to Estonia-Lithuania.

**Are you included in the top 3 exporters?**

We are in 3rd place overall, with the same rates of overall export of wine and cognac. We are sixth in wine export. We are looking forward to increasing these indices by 30-35%.

**Are you going to add new varieties of wine?**

Our 2020 priority is to move into the premium segment. We have a winter Chkaveri and have also created a winter Rkatsiteli. Late harvested grapes are dried under proper conditions, pressed and made into excellent dessert. The offering will be supplemented by traditional champagne and sparkling wine which ferments in both bottles and cisterns like Prosecco. A French technologist is working on the sparkling wine.

**When are you going to get involved in wine tourism?**

We are already involved in wine tourism. The first spade has already broken the soil. We are building a 48-room 6-storey 4 star hotel in the village of Sanavardo, Kvareli, which will include wine cellars, a Kakhetian yard and a swimming pool, amenities which will comfort and please any visitor from abroad or Georgia itself. The complex will also include a wine museum and tasting rooms.

Wine is a celebration in itself. Each stage in the process – picking, pressing, drinking – is an integral part of festive rituals.

**We drink and celebrate each other's success at the awards. How important is this for Askaneli, and for Georgian business as a whole?**

This is an amazing platform, in which we always participate. It is a pleasure to be presented here and to have your work showcased. The award is an incentive to increase both our motivation and our responsiveness to our customers and our country.

# Schuchmann Group – A Leading Company in a Leading Georgian Industry

*At the twentieth Georgian National Business Awards by The Georgian Times Media Holding and GORBI, Schuchmann Wines Georgia won an award for introducing international standards. The company sold 1.5 million bottles of wine in 2019, 93% of them abroad.*



Here Nutsa Abramishvili, its General Director, talks about the company's future plans.

**How important is this award for your company?**

Schuchmann Group has now participated in the very important and reputable Business Awards for the sixth time. This is the most important event of the year in business circles, as our activities are assessed and results evaluated in comparison with our fellow businesses. It motivates us to achieve desirable outcomes throughout the year, and make important contributions to the country, practice social responsibility and introduce new products and services.

Certainly, we appreciate our award. We always attempt to be better than the previous year.

**What will your company offer its customers this year?**

The guests of Schuchmann Wines Chateau VILLAS & SPA in Kakheti will be offered a wide range of enjoyable services, such as high class cuisine, wine and gastronomy masterclasses, and, most importantly, our wine spa, where guests may enjoy wine baths and experience the magical power of wine at first hand.

Our major achievement of 2019 was the Schuchmann wine village with its 24 summer houses. These are exclusive to us, and unprecedented due to their unique design. Nineteenth century Georgian materials

were used to decorate the exteriors. A special style was created for the interiors, and we manufactured our own Georgian style furniture for them, which is not on public sale.

These summer houses are exclusive recreation areas, and our target is to achieve the highest touristic standards. The first phase has been completed, 14 summer houses have been built and we are already hosting visitors. We will build 10 more summer houses for 2020, and be the first company offering an exclusive wine village to its customers.

**Georgian wine is gaining traction in Europe and the USA, which is partly the merit of the Georgian national marketing campaign. What kind of campaigns does your company run?**

The private sector and the government work hard together and spend significant sums to raise awareness of Georgian wine; wine is the Georgian national product, which literally means "Georgia". Therefore, we conduct different marketing activities in different countries.

We participate in the biggest exhibitions quarterly, hold various wine tasting events and receive visitors in our Schuchmann Chateau in Kakheti, where our guests enjoy Georgian wine, culture, hospitality and traditions. These are the people who share Georgia's potential. They often pay repeat visits, which is a measure of our

success.

**How much of your production do you sell locally, and on the international market?**

The company sold 1.5 million bottles of wine in 2019. 93% were exported. We achieved several significant goals in 2019. We had high sales in Canada, the USA, China and Europe, where our product was in high demand.

**How diversified is your production?**

Schuchmann's wines are divided into two categories: European wines, which are made in the international standard enterprise, and the Kvevri wine line "Vinoterra". We also produce sparkling wine, in accordance with French methods, and traditional Chacha, both silver and gold, which is kept in oak and acacia barrels.

In 2019 we expanded our vineyards by including Georgian endemic species of vines, to prove that Georgia is truly the birthplace of wine and that one fourth of the world's vine species are grown in Georgia.

**What else can you tell us about 2019, and what are your company's plans for 2020?**

Our two most important projects of 2019 were the Schuchmann wine village and the winery. The major challenge of 2020 will be to achieve sustainability in all directions, maintain quality and to enter and gain footholds in high purchasing capacity markets.





## Georgian Express – Trusted for Excellence

*Georgian Express (the official representative of DHL Express and DHL Global Forwarding) has maintained the status of most trustworthy company and market leader for more than two decades. When the customer feels satisfied and trusts a business partner, that company achieves its goals. You are the leader whenever you are trusted.*

Georgian Express won two prizes at the Georgian Times and GORBI Georgian National Business Awards—for fast, reliable and quality services and promotion of exports and imports. Here GT interviewed Ekaterine Arveladze about company's winning formula.

*Georgian Express has established a high standard of quality at an affordable price, which ensures its competitive advantage. How does it do this?*

Along with its successful domestic shipping operations, the company has been a worthy partner of the global brand DHL for 24 years, delivering fast international standard services throughout Georgia. Through this partnership customer receive a full range of services: international express mail, both export and import, the transportation of heavy packages by air, land, sea and rail and of certain types of hazardous and biological cargo to any country. Our warehouse area adopted a completely new, state-of-the-art technological base by the end of 2019, wherein all the norms and European standards are respected.

Georgian Express has been operating on the Georgian logistics market for over 24 years. In that time, we have never changed our priority of providing services tailored to customers of all ages. The company has offered the highest quality logistics services by sharing DHL's international practices and adapting them to



Georgian customers. This way of working, regular technical upgrades and intensive training have brought us customers' trust and pushed the company to become one of the leaders of its sector.

*What is your main objective?*

We live in the 21st century, when the rhythm of life is superfast and customers always feel pressed for time. They need a partner who will make their life easier. The goal is to save their time and financial resources.

The Georgian Express team constantly strives to create even more flexible services and quickly and efficiently resolve transportation and shipment issues. We incrementally increase staff numbers and enhance their professional development.

We provide constant updates on shipment progress and control the fleet. Work has already begun on establishing a new base in Tbilisi, equipped with modern technologies, which will bring together all the company's departments, including its customs brokerage and warehouse terminal in the near future. Construction of a new office building in Zugdidi is also almost complete. In 2020, the company's internal shipping department plans to become actively involved in the logistics of e-commerce development. Demand is increasing in this market every year, so Georgian Express is going to broaden its activities.

The company promises to offer pleasant news to its potential and existing customers, operating in the usual mode and at affordable prices.

## Management Systems – The Company which promotes the Development of the Business Sector through the Implementation of International Standards

*Elguja Meladze and Management Systems were prizewinners in the nomination Development of the Business Sector through Implementation of International Standards at the Georgian Times and GORBI Georgian National Business Awards in November.*

Here Elguja Meladze tells GT what the company is about.

*How did the company come into existence?*

Management Systems was founded in 2005, and was the first company in Georgia to implement ISO standards in the local market and be an official partner of German certification organisation TUV SUD.

The idea of establishing the company was born from international market requirements. Our goal was to produce Georgian products in line with international standards in order to help local entrepreneurs access EU and global markets.

All entrepreneurs must compete to attract customers. If their products meet quality, environment, safety, reliability and efficiency requirements, they are more likely to attract more customers and thus earn greater revenues. Our services enable companies to meet these requirements.

*What specific services do you offer your customers?*

Management Systems provides consulting services to several hundred companies through local and foreign experts. These include analysis of business processes within the company, system development, system introduction, employee training, inspection, audit and certification. If they follow the path we set successfully, the companies earn ISO certification, which guarantees the safety, efficiency and reliability of product and service delivery.

Governments are given the technical basis to adopt legislation with regard to health, safety and environmental protection and compare it with international requirements. Technological advancements and state-of-the-art management methods are shared with our clients, along with the latest achievements and consumer rights protection.

We help companies achieve the relevant standards in the fields of quality management (ISO 9001: 2015), food safety (ISO 22000, Global GAP, HACCP, BRC, FSSC 22000), environmental protection (ISO 14001), information security



(ISO 27001), energy efficiency (ISO 50001), pharmaceutical production (GMP) and so forth.

*How do you plan to develop from here, and what innovations will you offer your customers?*

We are going to develop in several directions in the near future. First of all, we want to raise awareness of the importance and necessity of international standards amongst Georgian entrepreneurs. In spite of the growing demand that they implement standards and obtain ISO certification, companies are mainly focused on solving problems in exporting products, so they are mainly focused on quality certificates rather than the broad range of standards they need to be looking at.

Our goal is to raise their awareness to be focused on understanding ISO standards and addressing issues such as company image, employee satisfaction, international reputation and high level management of business processes.

We also plan to research and then implement new international standards and requirements which will help local companies enter foreign markets. Health and safety at work and food safety standards are required, so we will definitely offer new programmes in these directions.

*How would you assess the government's business policy?*

*What steps should be taken to develop business in Georgia?*

I believe the main factors which will develop Georgian business are the promotion of vocational education, providing access to finance and creating a stable environment in the country.

A free business environment, less regulation and consistent policy to attract foreign investment are also important. I think the government should engage in direct dialogue with business to understand the needs of specific business entities and implement result-oriented reforms.

*How important is it for you to participate in The Georgian Times Awards?*

The fact that Management Systems has repeatedly been a winner in these awards in recent years is a great honour for us. Our victory in the nominations Contribution to the Development of the Business Sector through Implementation of International Standards is a great incentive for our company. We are always pleased to participate in this event, where we can present our year's activities to the public and our peers.

Our participation in the Business Awards is also a measure of our reputation and recognition, as all leading business entities across Georgia are involved in the event.

Nino Otarashvili



KINDZMARAU LI MARANI

WINES

# MMT Hospital – High Standards and Innovative Technologies

*MMT Hospital has won awards in the nominations for High Standard and Innovative Medical Technologies at the Twentieth Georgian National Business Award organized by The Georgian Times Media Holding and GORBI.*

Here GT interviews **Levan Karazanashvili** about the services patients might expect.

*How important is this award and recognition for the clinic?*

Since the day of its establishment, the clinic has focused on the introduction of modern standards, the provision of high-level European standard services for patients, the utilisation of ultra-contemporary medical equipment and the assistance of leading specialists. This award is an important motivation for further development.

*What kind of services does the clinic offer its patients, and why should they choose your particular hospital?*

The Guram Karazanashvili Urology Centre, based here, is the leading such hub not only in Georgia but throughout the region. It is a leading and extraordinary centre, which uses modern medical and diagnostic technologies and employs high-



which gives 300% better results in prostate biopsy and rectal echoscope. Another important introduction was the

qualified in-house urologists after graduation.

*Patients need a professional, friendly and commutative*



ly qualified, professional specialists with advanced practical knowledge. All types of urological and gynecological surgeries are performed. This is the clinic in the region which can conduct surgery using an internationally recognized and innovative technique - radical cystoprostatectomy, which involves extended bladder reconstruction, the creation of an artificial reservoir and orthotropic urinary derivations.

*It is known that the clinic is equipped with the latest model medical equipment. How often do you update the existing appliances, and what have you done in this field in 2019?*

In 2019 MMT Hospital introduced the latest model micro-echoscope for the first time in Georgia and in the region,

Storz Strike-Wave Therapy device for the treatment of erectile dysfunction and prostate conditions.

*How much do you invest in equipment, and how profitable is the medical business in Georgia?*

Medicine cannot be considered a profitable business, however, as I have mentioned, the clinic is focused on providing high-level services to patients. Thus, considerable investment is made in equipping and developing the clinic each year.

*Do you work with medical universities? Are postgraduates employed in your clinic?*

The clinic gives medical students the opportunity to gain extensive experience and become practically involved in the most complex urological surgeries. It also helps them become

*doctor, so how do you select your personnel?*

During the selection process, the clinic takes personal characteristics as well as qualifications into consideration, as these are of paramount importance for patients.

*Is the clinic compliant with ISO standards?*

MMT Hospital is the holder of ISO 9001-2015 quality certificates.

*How can you evaluate 2019, and what are your expectations for 2020?*

2019 was a very productive and busy year, in which important medical innovations were made, but we have even more significant plans, such as introduction of newest STORZ equipment for urinal system stone diseases.



# “GeoProvision” – The first exporter of Georgian meat products to EU countries and the USA

The gala ceremony of the consecutive XX Business Rating Awards was held on November 27<sup>th</sup>, 2019 at Sheraton Grande Tbilisi Metekhi Palace organized by The Georgian Times Media Holding and GORBI. Traditionally, the rating was conducted by Georgian Opinion Research Business International.



This year, the best investors were awarded for the fourth time in frames of Business Rating Awards.

competitive prices demand and production capacity increase rapidly. Owing to the fact that the goods are exported to EU

The new enterprise was founded within the framework of the state program “Enterprise Georgia”. The total investment is about US \$ 1.2 million. The modern factory was built which was equipped with high quality Italian machinery. The enterprise employs 25 people.

At present, the company produces 2 types of products. They are made from chicken breast which is thermally processed without any additives. Then they are packaged in hermetic packages for further sales in the USA and EU countries.

Geoprovision LLC holds ISO 22000 Food Safety Management System Certificate. This certificate asserts HAC-CP and Good Manufacturing Practice (GMP) implemented by the company. With the aforementioned certificate “GeoProvision” LLC has demonstrated that the company complies with global food safety regulations imposed by the



**Levan Vachnadze** and **GeoProvision** was awarded in the nomination - the first exporting company of Georgian meat products to EU countries and the USA at the XX Business Rating Awards.

Georgian Products LLC is a Georgian company founded in November 2014 under the project “Enterprise Georgia”. The company produces more than 100 kinds of furniture and accessories for pets. More than 2000 items are produced by 500 employees of the company daily. Due to product quality and

countries, the company is included in the list of the largest exporters from Georgia to the EU. Thanks to Georgian Products LLC, a large number of European customers have the product with the label “MADE IN GEORGIA” at home.

In order to enter growing pet food market in EU countries, Georgian Products LLC decided to expand its range of products upon request of European partner and founded GeoProvision LLC in January 2018 for the production of jerky food for dogs.

International Organization for Standardization. The company is constantly improving food safety standards for pet food.

At the same time, the company has been audited by European Commission, which aims at including our country to the list of the Third States’ Organizations recognized by the European Commission and to export processed animal products to Europe. Consequently, “GeoProvision” Ltd will be the first Georgian company to export meat products to the European market.

Nino Otashvili



# Geosteel – a Georgian Company of Global Standing

One of the largest steel companies in Georgia, Geosteel LLC, has joined the ranks of the world’s leading steel companies. It has been granted the most important certification in the rebar sector of the steel industry, known as the UK Cares certification, which puts it on the same level as the giant enterprises of Ukraine, Russia or any other steel plant anywhere in Europe or Asia.



GeoSteel LLC is one of the largest foreign direct investments in the industrial sector in Georgia. It is a joint venture by JSW Steel Netherlands BV (which is wholly owned by JSW India, part of the Jindal Group) and Georgian Steel Group Holding Ltd (GSGHL).

As usual, Geosteel won prizes at the Georgian Times and GORBI Georgian National Business Awards. Here GT interviewed the Director of Geosteel Mr. Jaspal Singh about company’s winning formula

**How important is it for your company to be named one of the best in Georgia?**

It is an honor for us to be considered one of the best companies in Georgia.

Geosteel LLC is the first UK Cares and TSE accredited company in the Caucasus Region. The Geosteel Integrated incorporates the following standards: 1. For QMS: - ISO 9001:2008 – implemented since 2011. 2. For Environment: ISO 14001:2004- implementation in progress. 3. For Health & Safety: OHSAS 18001:2007- implementation in progress. Geosteel LLC received ISO 9001:2008 accreditation in May 2011 from LRQA Turkey.

Established in 2007, Geosteel LLC is one of the largest

foreign direct industrial investment in Georgia is a trusted global corporation in the steelmaking business.

Geosteel LLC is the biggest steel plant in Georgia. Its production facility covers 13 hectares and has a capacity of 175,000 tons per year.

**What is your view of the investment in Georgia? Are you satisfied with current government policy towards business?**

The investment environment in Georgia is definitely conducive for business, and the Government has always been extremely supportive of all our new endeavors and projects.

**Which countries do you export to?**

Geosteel LLC meets the needs of the construction industry in Georgia, Azerbaijan and Turkey primarily.

Geosteel LLC has developed the steel industry in Georgia and undertaken some very significant projects, such as the Hilton in Batumi, the Parliament Building in Kutaisi, the Gori Highway and the Batumi Business Center.

**What projects can we expect in the near future?**

Our latest projects are: Batumi By-Pass Project, Batumi Ambassador, etc.



# Sevsamora Resort and Spa

**- Saguramo's multifunctional, recreational and high-class hotel complex**

*At the Georgian Times and GORBI Georgian National Business Awards ceremony in November the Sevsamora Resort and Spa won one of the Best Investor awards. The multifunctional, recreation and wellness Sevsamora Resort and Spa is located in a green area in Saguramo, in the municipality of Mtskheta (the ancient capital of Georgia), about 20 km from Tbilisi.*

The complex consists of a 45 room hotel, two private houses, a restaurant, a spa centre, one indoor and three outdoor pools. It has a large recreational area including small lakes, a universal gym and childrens' playgrounds. The Wine Cellar Museum, another integral part of the complex, hosts a variety of vine species, bio vineyards, fruit orchards, and endemic Georgian wheat fields.

The main goal of Sevsamora Resort and Spa is to meet the needs of all categories of visitors and local holidaymakers. The complex is fully adapted to people with disabilities, who can move around the buildings and grounds independently, without facing any barriers.

20 million GEL has been invested in this project. Only environmentally friendly materials and premium class brands are used.

Here GT interviews **Giorgi Gagua**, Director of Sevsamora Resort and Spa.

**How did you come up with the idea to found your company?**

Various exciting tourism complexes have emerged in the Kakheti region in recent years, which have gained traction amongst ordinary visitors and eco-tourists wanting to get away from heavily polluted cities. Most of these complexes offer a versatile and exciting mix of services (hotels, spas, wine tourism, gastronomy etc.), which have attracted numerous guests and turned them into permanent customers.

However, despite the fascination with this region, it has one drawback – distance, which makes it impossible for residents of the capital or tourists to access it during short-term visits and enjoy the benefits of these services.

My friends, guests and I have all often said that there is no enjoyment in travelling for tens and hundreds of kilometers when you are only on a one or two-day trip. I had often thought about the potential of having a similar complex in a green area near Tbilisi. Little by little I came up with the idea of building such a complex myself.

I decided to implement this plan in Saguramo, and this is how Sevsamora Resort and Spa was created. The name Sevsamora is totally Georgian, and means fortress. According to Strabon, there was once such a defensive-fortress in the east of Mtskheta.

**What do you offer your customers?**

We offer a high class hotel only 20-22 kilometres from Tbilisi, in a green area. Sevsamora Resort and Spa includes:

- 45 comfortable hotel rooms;
- Separate summer houses for gatherings of families and friends;
- 5 swimming pools of different sizes;
- Spa, sauna, massages, a solarium, gym and so on;
- Universal gyms and childrens' playgrounds;
- Conference and event halls;
- Recreational areas including plants, waterfalls, ponds, pergolas and so on.



- 6 different restaurant and food facilities;
- A wine cellar, including tasting, information, a museum, production halls, pitcher reserves, bio vineyards and the best wines;
- Parking lots.

**What are your future plans? What innovations will you offer your customers?**

We expect to offer different types of high standard services to all kinds of customers, including business clients, eco tourists, wine tourists, historical-cultural tourists, gastronomic tourists etc. Our own base, and the unique nature and historical monuments of Mtskheta-Mtianeti, give us a wide range of development opportunities.

**How would you evaluate the government's business policy?**

In some respects, quite positively. There are some very good programmes to encourage the hotel business in the regions. These include better routing of municipal roads, constructing gas, electrical, water and sewage systems and providing internet to the facilities. The co-financing of the larger part of loans taken in GEL within 2 years is of paramount importance. In agriculture I should mention the following positive aspects: the development of Georgian endemic species programmes, the planting of saplings, the construction of irrigation systems, the availability of cheap agro credit etc. The main achievement of this government is that even the slightest unwanted pressure on business has been stopped, and this we appreciate.

Nonetheless, the government needs to pay a bit more attention to Georgian investments. We are pretty vulnerable to depreciations of our na-

tional currency when we have to take out loans, and thus incur debts, in that currency. As a result, the financial modelling of all businesses is upside down, and the point at which we will see returns grows substantially more distant.

**What important steps should be taken in order to foster the development of business in Georgia?**

Infrastructural business credits should be issued only in the national currency! Programmes like "Host in Georgia" should continue. The preferential period of co-funding of interest payments should be extended, because it is impossible to create a high-class and full hotel within two years when a local investor chooses a foreign currency. Exchange rates should be fixed, and some sort of compensation should be paid in cases of financial loss resulting from currency depreciation.

**How important is it for you to participate in the Georgian Times Business Awards?**

From year to year we have witnessed how the number of companies included in the Business Awards has improved, along with the high standards of the awards themselves. Therefore, it is a matter of great happiness for us to be included amongst the nominees. Even though we might have not said a word about our business, we have already been noticed!

It is welcome that events are organized to encourage the business sector. A couple of years ago, similar short-term spontaneous projects were run by state and private organizations. But The Georgian Times has managed to organize these undoubtedly beneficial and high standard awards for over two decades, and your efforts deserve to be appreciated.

*Nino Otarashvili*

# The Palace of Catherine at Lisi

**– a Concept Combining History, Romance, Art and Architecture**

*On November 27, 2019 the twentieth Georgian National Business Awards ceremony was held at the Sheraton Grande Tbilisi Metekhi Palace, which was organized by The Georgian Times Media Holding and GORBI.*



Teona Zakradze and her project "The Palace of Catherine at Lisi" won the award for creative decisions and original style for their contribution to the revival of Georgian aristocratic architecture.

The Palace of Catherine at Lisi, a project of the Zearis Group, is a place where the legends and histories of the Dadianis, Chavchavadzes and Baratashvils are immortalized.

The inspiration for the hotel-palace is the beautiful Queen Catherine. Its thermal water outdoor pool and spa, spouting from kilometers deep makes the hotel unique in the area. The hotel is tiled with precious Asian stone and enchanted by the rhapsodies of Lake Lisi.

"Georgian Times" has interviewed **Teona Zakradze** founder of "Zearis Group" about the project:

**How did the idea of the hotel come about?**

Back in the 90's, our team set up the very first alcoholic product enterprise in Georgia. From the very beginning, our team of professionals, with vast experience and innovative vision, has sought to develop products that are original and modern in form and content. Today our company is called the Zearis Group, but has the same spirit it had 30 years ago. I believe we embrace modern challenges, both in the alcohol production and in construction projects.

**What do you offer your customers?**

Zearis Group works in different business areas, but I would specifically like to emphasize the production of alcoholic beverages and our investment projects. Our outstanding Chacha, bearing Georgian symbolism, has already gained a lot of traction. We have been awarded a number of prizes locally as well as internationally.

As for the construction business – we have implemented several projects, including the so-called Museum Hotel, which had already become the beauty of Tbilisi.

**Can you expand on your future plans? In which directions do you plan to develop, and what innovations do you offer your customers?**

The Palace of Catherine is an extraordinary idea which combines history, romance, art and architecture. The story behind it is that the poet Tato, who was in love with Catherine Chavchavadze, wished to build a beautiful palace for her. But he died in poverty, and Catherine became the wife of Governor Dadiani of Samegrelo, and then really did live in a beautiful palace. This is one of the reasons why we built such a structure near Lake Lisi, the home of this romantic rumor or truth, and called it The Palace of Catherine.

It is an exquisite white Asian stone-tiled building, adorned with beauti-

ful capitals, castellation and ornaments. The wonderful Lake Lisi lies in front of the palace. A large thermal water outdoor pool and a spa-wellness center are also planned on being build. As you may know, thermal Sulphur springs sprout here, and there are many more interesting details related to this unique project which make it an incomparable investment attraction.

We can confidently predict that the Palace of Catherine will become one of Tbilisi's most distinguished and business-friendly places, due to its unique location and refined architecture.

**How would you assess the business policy of the government, and what steps should be taken to develop business in Georgia?**

It should be noted that business is now undoubtedly much freer, but the government still lacks close contacts with the SME sector. I wish more attention is paid to the business sector, as ongoing political issues affect business most of all.

**How important are The Georgian Times Business Awards for your company?**

I would like to thank The Georgian Times for our award. Believe me, each award places a lot of responsibility on us, which fuels our motivation for further advancement and development. Thank you very much.

*Nino Otarashvili*



# “Enjoy a glass of wine with the rich history of its birthplace” - Kardanakhi Wine Factory N1

*At the Sheraton Grande Tbilisi Metekhi Palace on November 27 2019 Nikoloz Kizikurashvili and Kardanakhi Wine Factory N1 won awards for the Preservation of Historic Traditions and Contribution to the Development of Bio-Wine-Making at the 20th Georgian Times Media Holding and GORBI Georgian National Business Awards.*

Kardanakhi Wine Factory N1 is a unique wine cellar built by Constantine Afkhazi, who was visited by the famous French archaeologist and traveller Baron de Baye in the late 19th century. Kardanakhi Winery produces 50 tonnes of Saperavi and Rkatsiteli grapes each year. The aim of the company is to revive and enrich the historic winery of Kardanakhi and to revitalise this historic site.

“Enjoy a glass of the wine which tells the rich history of its origin and unique traditions of winemaking” is how Kardanakhi Wine Factory N1 invites visitors to Kakheti. Here GT interviews Nikoloz Kizikurashvili, Founder of Kardanakhi Wine Factory N1.

**How did the winery begin?**

The factory was built by a local feudal lord, Kote Afkhazia, and his friend Duke Sergei Sheremetev in the 19th century. At that time it was an enterprise of 100 pitchers, which was pretty large-scale production then.

After a while, Sergei Sheremetev hired someone named Averkin to run the business. The factory grew, and in addition to the grapes from its own vine-



yard, Averkin purchased local peasants' grapes from specific micro-zones.

The brand became very popular in Russia and France, as it was a wine supplier to the royal courts of both countries. That was what made this wine so famous. In the second half of the 20th century, when the factory was obviously state-owned, demand for wine increased considerably, and another building was built on 3,000 m<sup>2</sup> of land, con-

taining 600 pitchers, an unprecedented number.

There is a book by famous Frenchman Baron de Baye in which he describes his visit to Georgia. He was a close friend of Duke Sheremetev, and visited him here. De Baye writes: “Duke Sheremetev was honoured to host Emperor of Russia Alexander III, his wife and young heir Nicholas (presumably the future Emperor Nicholas II) in Kardanakhi.” The book contains the

photos of our wine cellar, taken at the request of Baron de Baye, and is one of many valuable historical documents concerning our factory.

**What do you offer your customers, and what are the future plans of the company?**

The wine cellar and factory buildings cover 4 hectares, which are fenced and protected. There are a lot of buildings here. We have an aging room, where wine is aged for a stipulated period. This consists of three 31 m long and 5 m wide spaces next to each other.

The first building on the site was designed for Kvevri, and dates from the 19th century, and there is a similar large building from the last century. The remaining buildings require rehabilitation in order to be used as per purpose. There are a lot of trees here, including 15 olive trees planted in the 19th century.

The Kardanakhi Wine Factory uses state-of-art equipment and produces only pitcher wine. This work was suspended in the nineties due to the political situation, but in 2015 we began restoring the factory. In 2017 we added new types of wine.



We make high quality pitcher wine. We age different types of wine and chacha. We use wooden barrels. We also plan to adopt the chateau winemaking style in the future.

The company produces the following types of pitcher wines: Cabernet, Qisi, Khikhvi, Tsarafi, Saperavi. We promote our wine abroad, and the government supports us. Consequently, our customer numbers increase on a daily basis.

**How important is your participation in the business awards?**

Participation and victory in the Georgian Times awards is of paramount importance to our company. We welcome this great media support for the business sector. The Georgian Times, as the media representative of these awards, is distinguished by its scope, and the fact that we work with you is a matter of great pleasure.

*Nino Otashvili*



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