



Kutaisi has always been attractive for innovative projects with its historic and cultural importance. In order to succeed, any business must have a stable and reliable environment, and it can be eagerly said that our city is a springboard for it. An investor thinks what kind of comfort he or she will have with us. Kutaisi is ready to share examples of successful models of the world and promote business development.

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WHAT CAN KUTAISI OFFER?

Business development opportunities - Kutaisi is the main city of western Georgia offering access to a market of 900,000 customers, low property prices and labour costs, and multimodal transport infrastructure that is also being upgraded and expanded.

Infrastructure projects for business development - Up to one billion GEL is being spent on the modernization of the city's infrastructure, enabling Kutaisi to become a city of with international trade and transit role and markedly boosting its tourism potential.

Space for business development - Kutaisi is the only city in western Georgia, which boasts large areas of available land for business development. This catalogue presents 2400 hectares, where industry, logistics, service and tourism sectors can all develop.





I DEVELOPMENT CONDITIONS

POPULATION, AREA AND LOCATION

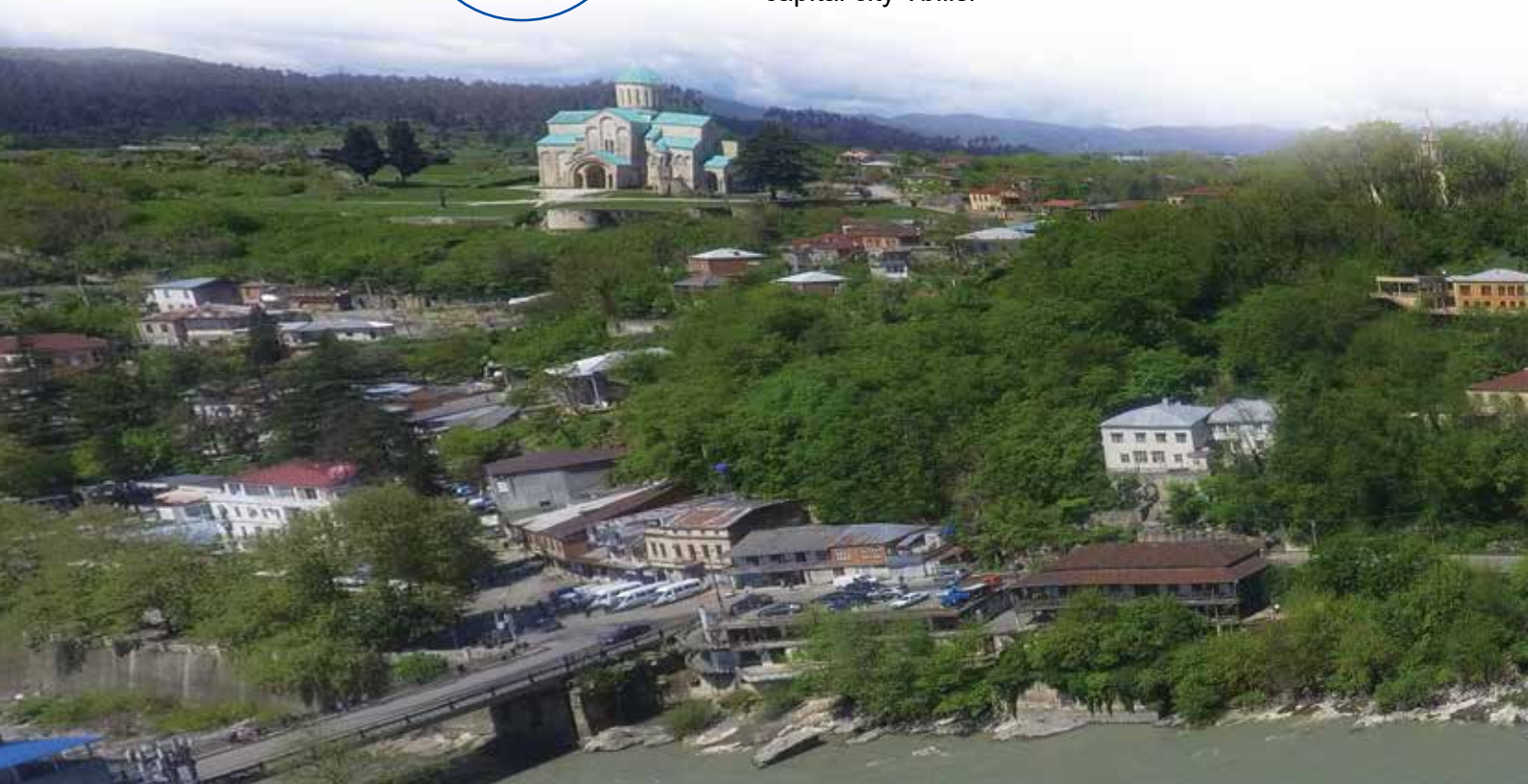
Kutaisi is the second largest and third most-populated city in Georgia.

Population
141 000

Area
70
square
kilometers

Kutaisi is a major transport hub in western Georgia.

- Georgia East-West Highway (distance from the Kutaisi city center - 3.5 kilometers)
- Railway (Nearest station within 8 kilometers)
- Kutaisi International Airport (located 18 kilometers from the city center)
- Kutaisi is also connected to Poti (103 km) and Batumi Seaports (139 Kms)
- Kutaisi is located 230 kilometers from Georgia's capital city Tbilisi



ACCESS TO THE MARKET OF WESTERN GEORGIA

Traditionally, Kutaisi has always been the economic and social center of western Georgia. Currently, it is being transformed into a trade, logistics, education and healthcare hub for the people and businesses of western Georgia.

The conducive business environment of Kutaisi enables customers and partners to buy and sell services and goods quickly and affordably

The significant business role played by the city will grow further still with as diversity and quality of products increases.

Traditionally, Kutaisi has always been the regional center for not only services and trade, but also employment. The city still has massive potential in this regard.

Access to markets and workforce from Kutaisi

Region	Population (2018)
IMERETI	507 000
<i>Kutaisi</i>	140 000
Guria	110 000
Racha-Lechkhumi and Qvemo Svaneti	30 000
samegrelo and zemo svaneti	320 000
Total	967 000



LOW BUSINESS COSTS

Kutaisi is still a low-cost city compared to both Tbilisi and Batumi, offering considerable amounts of available land, inexpensive property and an accessible workforce.

Employment data:

Hired workforce	21 936 (2017)
Employed workforce	25 034 (2017)
Average Salary	756 Lari (2018)

UTILITY COSTS

Electric power (Energopro Georgia)

Voltage	kw/Tetri (excluding VAT)	kw/Tetri (including VAT)
35-110 V	12.593	14.86
6-10 V	13.772	16.251
0.4 V	17.867	21.083

WATER (UNITED WATER SUPPLY COMPANY OF GEORGIA)

Service	Cubic Meter/Lari (including VAT)
Water	4,307
Wastewater	1,655

NATURAL GAS

Natural gas is provided by Socar Gas Georgia and the tariff is deregulated.

MAJOR INDUSTRIES IN KUTAISI

The industrial sector remains active in Kutaisi. Enterprises, oriented toward local and foreign markets, operate within and beyond Kutaisi's two industrial zones.

Currently, the following goods are produced in Kutaisi:

- Electricity
- Electrical appliances and components
- Processed decorative and construction stones (marble, chalk, granite)
- Processed woods and furniture
- Metals and metal items
- Plastic and plastic items used for construction
- Concrete and concrete constructions, concrete blocks and bricks
- Paints, varnish and mineral pigments
- Chemicals
- Food products (bread, processed wheat, wine, spirits, beer, mineral waters and nonalcoholic drinks, meat, dairy products, pasta, and tea)
- Spices
- Leather and leather goods
- Textiles, canvas, clothes



TOURISM IN KUTAISI

Kutaisi has an exceptionally rich history and cultural legacy, as well as being famous for its hospitality and food. The city forms an integral part of dynamic tourism development in Georgia.

Kutaisi's tourism potential is boosted by its surrounding area with more than 50 tourist attractions in its neighboring municipalities. In order to fulfil this potential, Destination Management Organization was established with a goal is to create products and services for tourists, and to generally facilitate tourism development.

Kutaisi's tourism development has been significantly boosted since the opening of its international airport. The number of travelers using Kutaisi International Airport is rising every year, as the airport received 617 342 travelers in 2018 and the number of regular flights and destinations being offered increases annually as well.

Regular flight destinations from Kutaisi International Airport

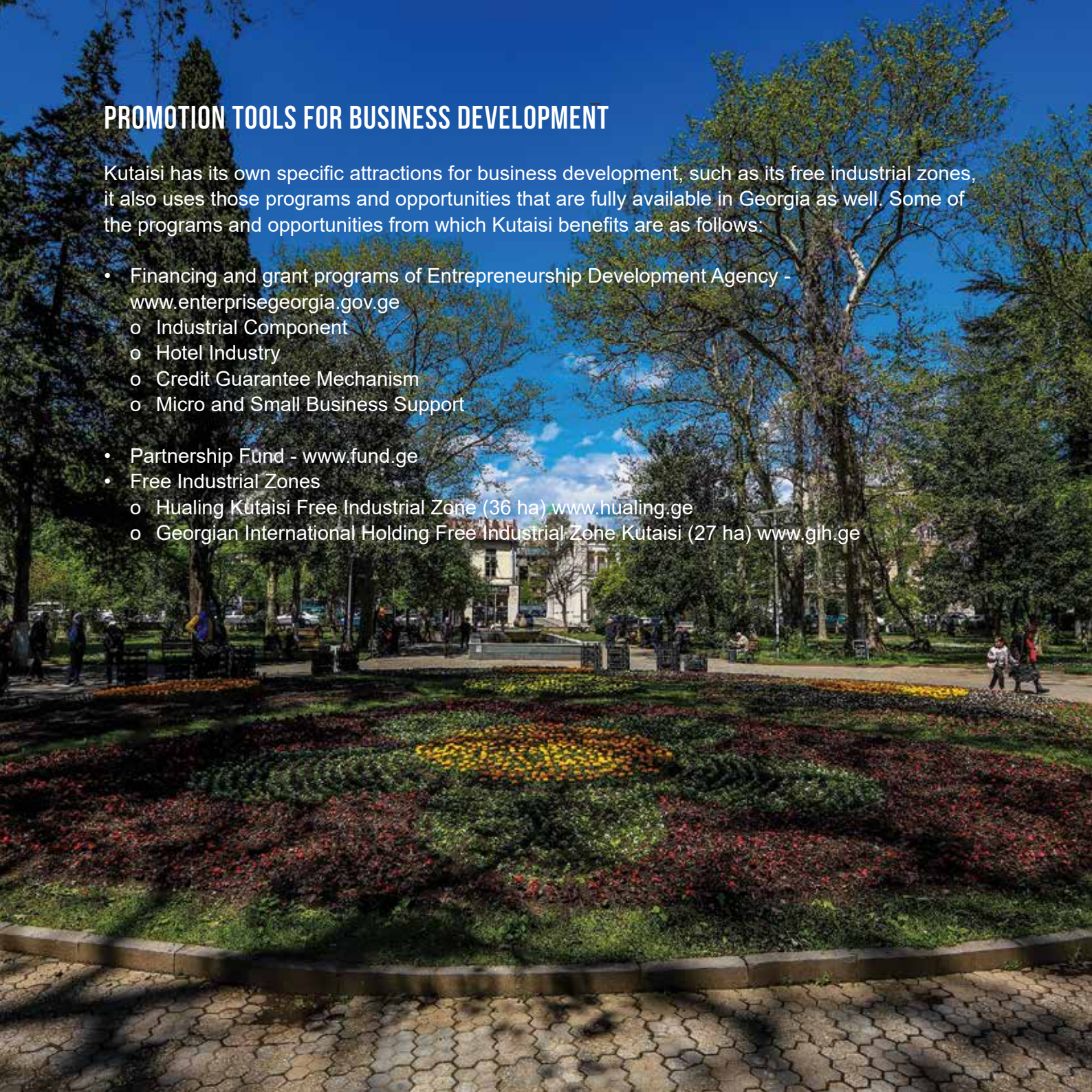
Athens	Rome	Milan	Vienna
Barcelona	Memmingen	Prague	Vilnius
Budapest	Katowice	Riga	Warsaw
Paris	Larnaca	Thessaloniki	Wroclaw
Dortmund	London	Berlin	Moscow



PROMOTION TOOLS FOR BUSINESS DEVELOPMENT

Kutaisi has its own specific attractions for business development, such as its free industrial zones, it also uses those programs and opportunities that are fully available in Georgia as well. Some of the programs and opportunities from which Kutaisi benefits are as follows:

- Financing and grant programs of Entrepreneurship Development Agency - www.enterprisegeorgia.gov.ge
 - o Industrial Component
 - o Hotel Industry
 - o Credit Guarantee Mechanism
 - o Micro and Small Business Support
- Partnership Fund - www.fund.ge
- Free Industrial Zones
 - o Hualing Kutaisi Free Industrial Zone (36 ha) www.hualing.ge
 - o Georgian International Holding Free Industrial Zone Kutaisi (27 ha) www.gih.ge





II DEVELOPMENT PROJECTS

MODERNIZATION OF CITY INFRASTRUCTURE

In order to improve living conditions in Kutaisi, and to create the necessary infrastructure for business, a number of large infrastructural projects are planned:

- Complete modernization of the water supply network
- Complete modernization of the sewerage network
- Closure of the old landfill site and construction of a new modern landfill site.
- Modernization of the waste management system
- Renewal of municipal transport fleet
- Massive rehabilitation of city's roadways



TOURISM INFRASTRUCTURE DEVELOPMENT PROJECTS IN KUTAISI

Construction of tourism infrastructure starts at Motsameta Monastery

Donor – World Bank

Cost – 1.3 million GEL

Start Date – 11/8/2018

End Date – 11/8/2019

The project envisages the strengthening of the walls of the rampart as well as the construction and rehabilitation of the visitors' center, parking lot, communications system, and lavatories.

Rehabilitation of Kutaisi's Historic District (Rioni Coast section)

Donor – European Investment Bank

Start Date – 2020

Cost – 25 million USD

Rehabilitation of the historic district of Kutaisi envisages the rehabilitation of 19th century residential and public buildings located on the banks of the Rioni River. The project also envisages the creation of pedestrian paths on the river from the "Red Bridge" to the "Chain Bridge" with links to residential and public facilities.



TRANSPORT INFRASTRUCTURE DEVELOPMENT PROJECTS

The Government of Georgia (GoG) is implementing transport infrastructure projects that will further increase the potential of Kutaisi as a transport-logistics and tourism center:

- Construction of a new terminal at Kutaisi International Airport;
- Extending the railway line to Kutaisi International Airport and construction of a new railway station; and
- Construction of a new multimodal logistics center near Kutaisi.

A new terminal and a new railway station at Kutaisi International Airport would significantly increase the flow of passengers. The completion of the East-West Highway and the establishment of a multimodal logistics hub, together with the international airport and all other existing transportation infrastructure, will eventually establish Kutaisi as the main logistics center in western Georgia and the businesses operating in this field in this area will multiply rapidly.



THE ROAD CONNECTING LENTEKHI TO MESTIA

The number of tourists going to Georgia's mountainous region of Svaneti is constantly rising and the tourism infrastructure is being developed accordingly. One obstacle to tourism growth is the long travel time to Svaneti from any of Georgia's main cities. A new road connecting Lentekhi with Mestia will give Kutaisi a much better connection to Svaneti. With this road, it will be possible to reach Mestia from Kutaisi in 2 hours and 30 minutes. This will create new opportunities for businesses operating in the tourism sector in Kutaisi.

THE ROAD CONNECTING BAGHDATI TO ABASTUMANI

The Baghdadi-Abastumani road will connect western and southern Georgia and will create a full range of opportunities for new passenger and tourist routes, as well as fully realizing the economic opportunities already available around the road. Kutaisi will again be central to any emerging tourism opportunities.



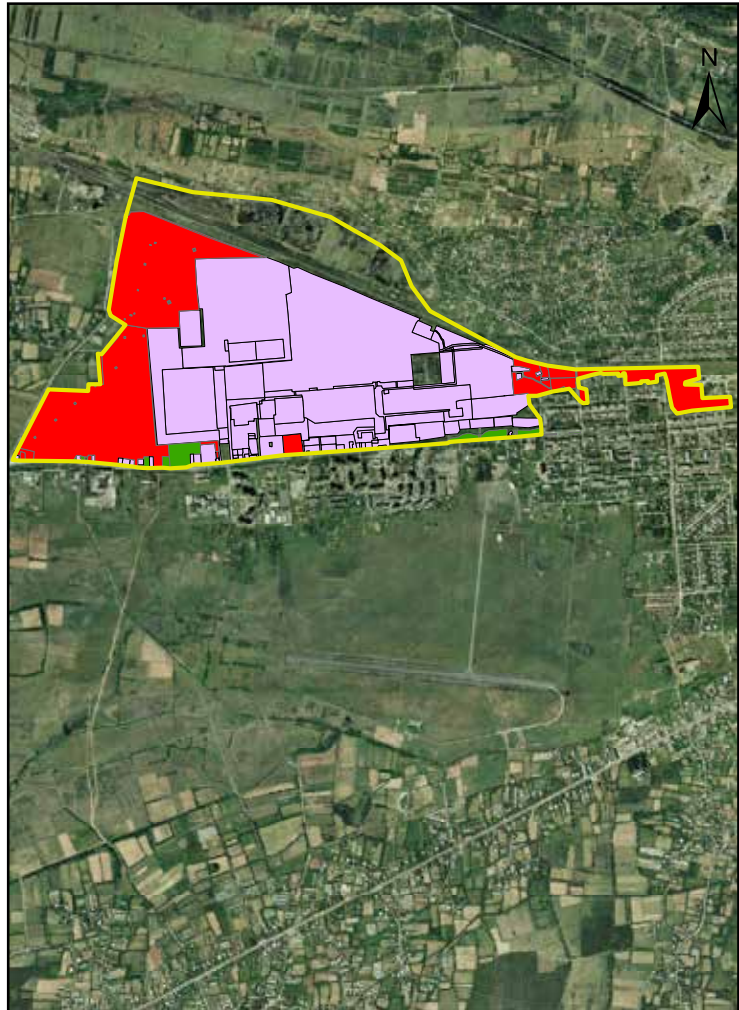
III DEVELOPMENT SPACE

1. TERRITORY ADJACENT TO THE FREE INDUSTRIAL ZONE

- Location: Western part of the city. Borders Kutaisi-Khoni and Kutaisi-Tskaltubo-Lentekhi roads and Kutaisi-Tskaltubo railroad. This plot is adjacent to the territory with medium population density.
- Area: 2 681 733 square meters.
- Owners:
 - 960 523 square meters - state property
 - 38 302 square meters - municipal property
 - 1 460 553 square meters - private property
- Infrastructure: road, railroad.
- Landscape: plain

Potential directions for development:

- Warehousing
- Manufacturing and other industrials

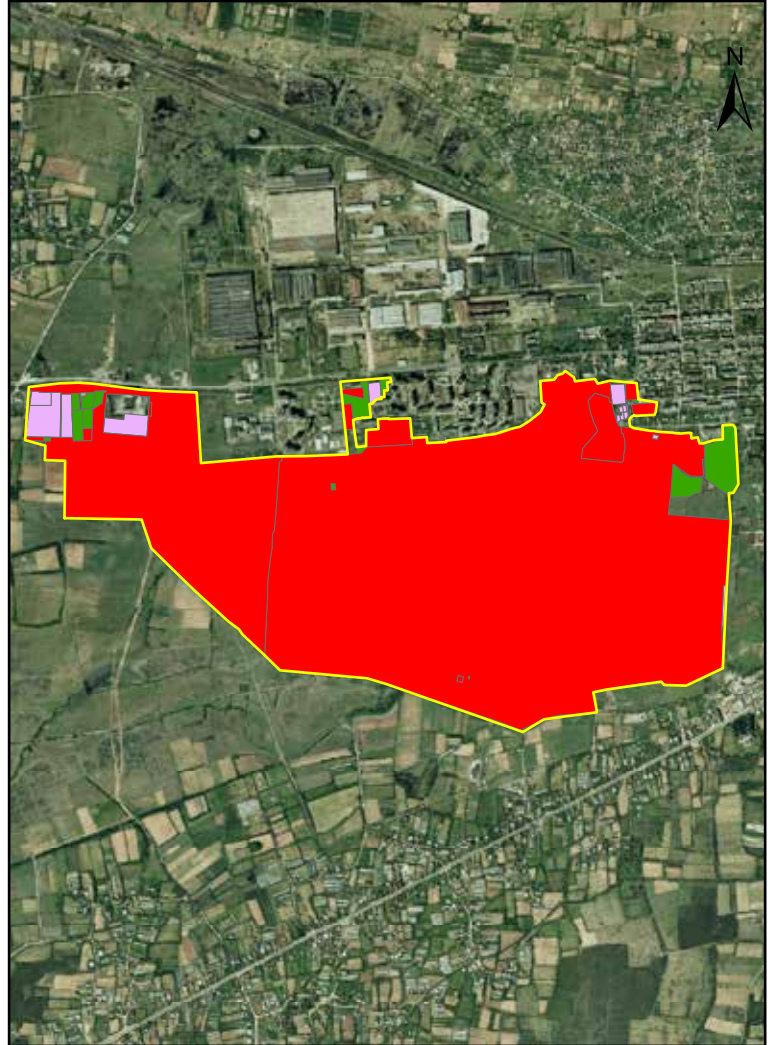


2. TERRITORY OF FORMER AIRPORT

- Location: West part of the city. To the north bordered by the Kutaisi-Khoni highway, to the south – by the East-West highway. Located in the proximity of an area with medium population density.
- Area: 3 336 745 square meters.
- Owners:
 1. 3 090 514 square meters - state property
 2. 92 502 square meters - municipal property
 3. 72 080 square meters - private property
- Landscape: plain
- Infrastructure: road, railway
- Free industrial zone nearby

Potential directions for development:

- Warehousing
- Manufacturing and other industrials
- Tourism and entertainment
- Residential

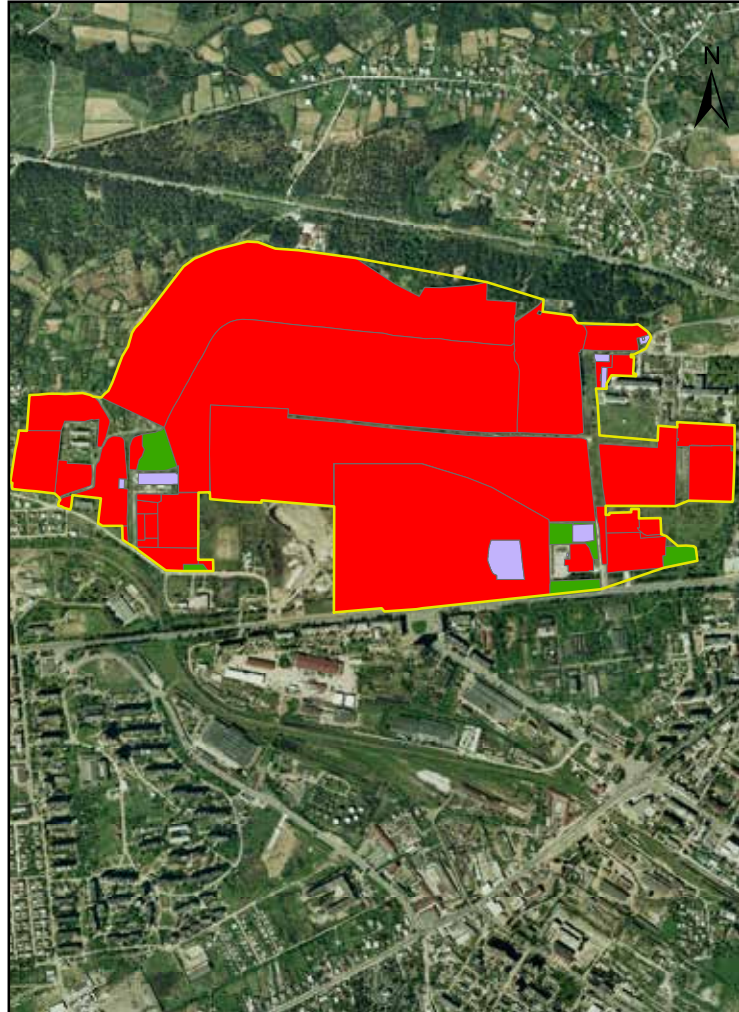


3. TERRITORY ADJACENT TO THE FORMER PARLIAMENT BUILDING

- Location: West part of the city. To the north bordered by Kutaisi-Tskaltubo-Mestia road and to the south bordered by Kutaisi-Khoni road. Located in an unpopulated area.
- Area: 1 401 326 square meters.
- Owners:
 - 1 233 416 square meters - state property
 - 28 009 square meters - municipal property
 - 20 122 square meters - private property
- Landscape: plain
- Infrastructure: road, railway

Potential directions for development

- Manufacturing and other industrials
- Tourism and entertainment
- Residential
- Medical Services

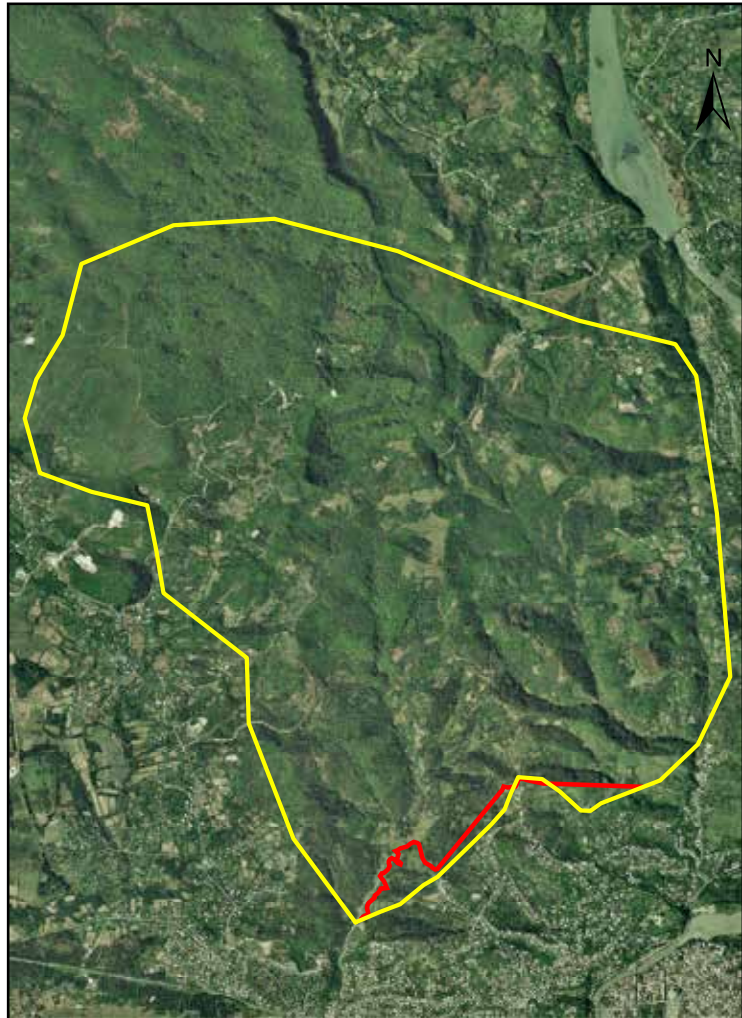


4. NEW RECREATIONAL ZONE

- Location: North part of the city. Located between Tskaltubo and Kutaisi. Ecologically clean area. Located on unpopulated territory. The Sataplia Park (a national reserve) is accessible through the shortest tracking route.
- Area: 15 618 694 square meters
- Landscape: mixed

Potential directions for development:

- Tourism and leisure (e.g. eco-tourism, tracking and extreme tourism)

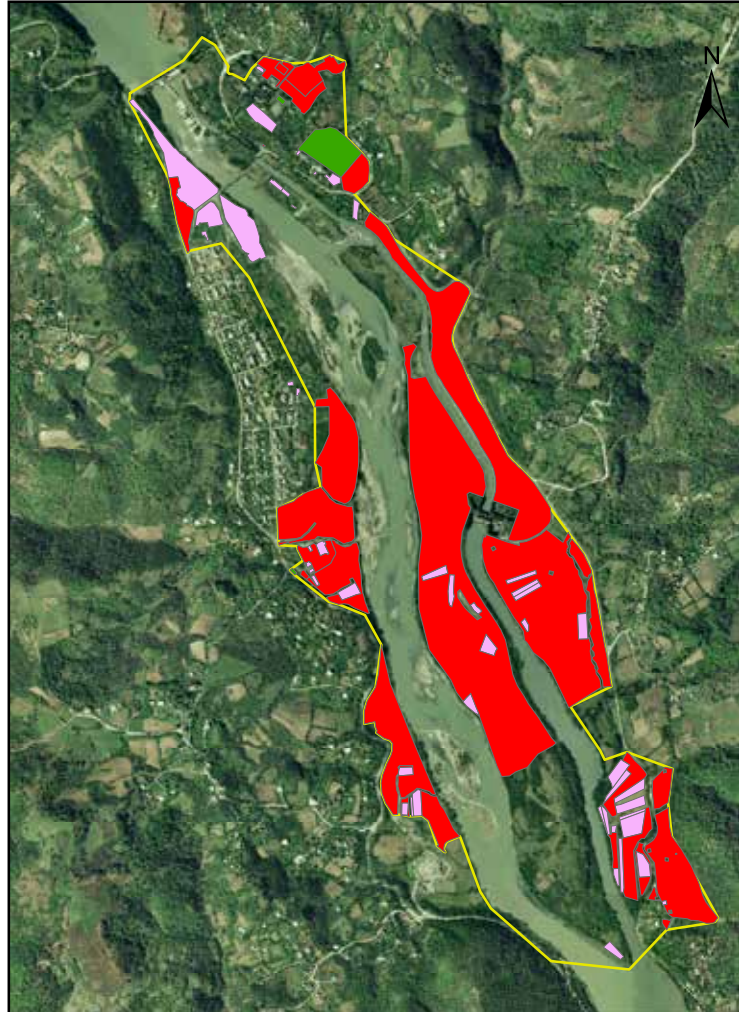


5. RIONI RESERVOIR AREA

- Location: Northernmost part of the city, within the Rioni riverbed. To the west bordered by Kutaisi-Oni road. Located in an unpopulated area, south to Gumati HPP.
- Area: 2 255 309 square meters (588 633 square meters occupied by the Rioni river)
- Owners:
 1. 764 809 square meters - state property
 2. 21 010 square meters - municipal property
 3. 105 972 square meters - private property
- Landscape: various

Potential directions for development:

- Manufacturing and other industrials
- Tourism and leisure (e.g. eco-tourism, tracking, kayaking)
- Construction materials (river residue)



6. RIONI RESERVOIR EMBANKMENT

- Location: North part of the city. Rioni river runs through it. To the left bordered by Kutaisi-Oni road. Ecologically clean environment. Located in sparsely populated area.
- Area: 58 646 square meters (36 900 square meters occupied by Rioni river)
- Owners: 3 915 square meters - state property
- Landscape: mixed

Potential directions for development

- Tourism and leisure (e.g. eco-tourism, tracking, kayaking)
- Hotels



7. TERRITORY ADJACENT TO THE BOTANICAL GARDEN

- Location: North part of the city. To the right runs Rioni river. To the left bordered by Kutaisi-Oni road. Ecologically clean environment. Located in an unpopulated area.
- Area: 122 450 square meters
- Owners:
 - 5 496 square meters - state property
 - 94 306 square meters - municipal property
 - 5 171 square meters - private property
- Landscape: plain

Potential directions for development:

- Tourism and leisure (eco-tourism, tracking, kayaking)
- Residential



8. TERRITORY OF FORMER PRISON

- Location: Central historic district of the city. Located within a densely populated area.
- Area: 9 196 square meters
- Owners: state property
- Landscape: plain

Potential directions for development:

- Tourism
- Residential
- Light industry
- Hotels
- Medical services



9. TERRITORY OF FORMER MILITARY BASE

- Location: central historic district of the city. Located within a densely populated, green area.
- Area: 13 524 square meters
- Landscape: plain

Potential directions for development

- Tourism
- Residential
- Light industry
- Hotels
- Medical services



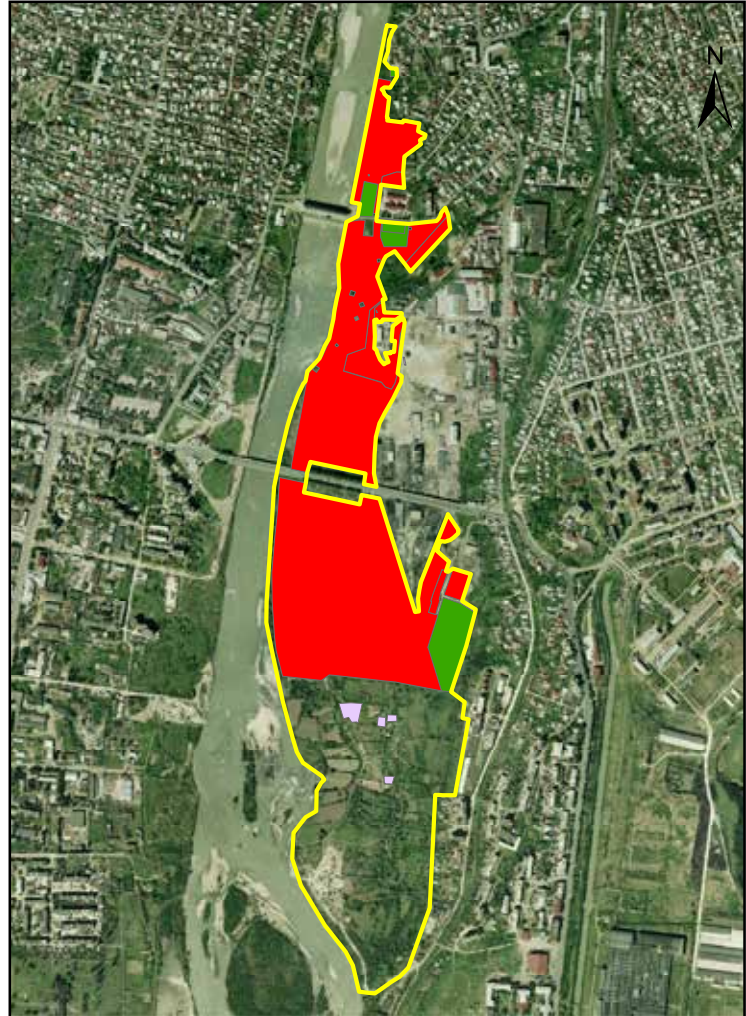
10. LEFT EMBANKMENT OF RIONI RIVER

Location: East part of the city, adjacent to the East-West highway. To the left runs Rioni river. Located near a sparsely populated area.

- Area: 784 482 square meters.
- Owners:
 - 414 976 square meters - state property
 - 31 820 square meters - municipal property
 - 4 446 square meters - private property
- Landscape: mostly plain.
- Infrastructure: road, railway.

Potential directions for development

- Manufacturing and other industrials
- Residential
- Tourism and entertainment
- Warehousing
- Medical services



11. RIGHT EMBANKMENT OF THE RIONI RIVER

- Location: South part of the city, adjacent to the East-West Highway. To the right runs Rioni river. Located near a sparsely populated area.
- Area: 858 240 square meters.
- Owners:
 - 18 396 square meters - state property
 - 274 653 square meters - municipal property
 - 18 396 square meters - private property
- Landscape: plain.

Potential directions for development:

- Warehousing
- Manufacturing and other industrials
- Residential
- Tourism and entertainment
- Medical services

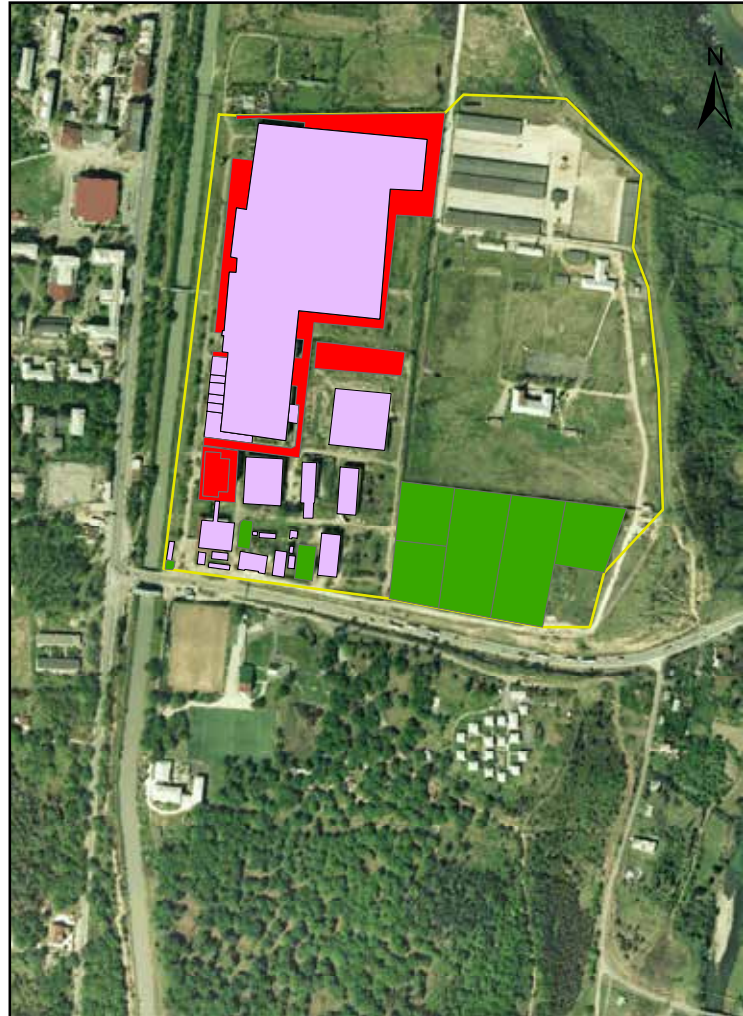


12. TERRITORY OF FORMER TRACTOR FACTORY

- Location: the Easternmost part of the city, adjacent to the East-West highway. To the left runs Rioni river. Located near an area with medium population density.
- Area: 376 465 square meters.
- Owners:
 - 29 588 square meters - state property
 - 41 598 square meters - municipal property
 - 146 365 square meters - private property
- Landscape: plain

Potential directions for development

- Warehousing
- Manufacturing and other industrials
- Residential
- Tourism and entertainment
- Medical services



13. TERRITORY OF FORMER ELECTRO-MECHANICAL PLANT

- Location: central part of the city, adjacent to the East-West Highway. Located in an unpopulated area.
- Area: 375 731 square meters.
- Owners:
 - 174 655 square meters - state property
 - 948 square meters - municipal property
 - 166 352 square meters - private property
- Landscape: plain
- Infrastructure: road, Railway

Potential directions for development

- Warehousing
- Manufacturing and other industrials
- Residential
- Tourism and entertainment
- Medical services

