

Georgia

A Synopsis

Georgia has positioned itself as a critical trading hub and logistical bridge connecting Europe and Asia, leveraging its strategic location in the South Caucasus. Following significant economic reforms, it has become a "one-stop-shop" for business, featuring low taxation, minimal bureaucracy, and a comprehensive network of free trade agreements (FTAs) that provide tariff-free access to a market of 2.3 billion people.





Key Aspects of Georgia as a Trading Hub:

- **Strategic Location (Middle Corridor):** Situated on the Black Sea, Georgia is a key component of the "Middle Corridor" (or Trans-Caspian Trade Route), linking Asia and Europe.
- **Logistics Infrastructure:** The country boasts three international airports, two main ports (Batumi and Poti), and is developing the Anaklia deep-sea port to handle larger vessels. It is also part of the Baku-Tbilisi-Kars (BTK) railway, which enhances cargo traffic between the Caspian Sea and Turkey.
- **Free Trade Agreements (FTAs):** Georgia is the only country in the region with FTAs with both the European Union (via the Deep and Comprehensive Free Trade Area - DCFTA) and China, as well as with EFTA, Turkey, and all CIS countries.
- **Business Environment & Incentives:**
 - **Taxation:** Ranked as having some of the lowest tax rates in the world, with 0% tax on retained/reinvested corporate profit and only 15% on distributed profits.
 - **Free Industrial Zones (FIZs):** Located in Poti, Kutaisi, and Tbilisi, these zones offer exemptions on corporate profit tax, property tax, and VAT for imports and transactions within the zones.
 - **Ease of Doing Business:** Ranked in the top quintile for business, including top 10 rankings for starting a business and overall ease of doing business.
- **Key Trade Partners (2024):** Georgia's main export markets are Kyrgyzstan, Kazakhstan, Azerbaijan, Russia, Armenia, and Turkey. Imports are largely sourced from the EU, Turkey, the US, Russia, and China.
- **Emerging Sectors:** In addition to traditional exports like wine and mineral water, Georgia is positioning itself as a digital, IT, and fintech hub, with "Virtual Zone" licenses for IT companies providing 0% corporate tax.