



Annual Report

2006

www.gsba.org.ge

Foreword

Dear members and friends,

Sometime ago, when I was on a business trip in Zurich, I met with SOFI, the Swiss Organization for Facilitating Investments and it turned out that they were interested in learning about the Georgian business climate. Afterwards a group of business partners and friends developed the idea and approached the Embassy of Switzerland to formalize and materialize it. Now is time to celebrate our first year of existence as an organization, a year in which we had a lot of events and accomplishments. We participated in an investment Forum, launched our web page and organized a number of social, cultural and PR events.

Our organization was formally constituted on December 15th 2005 by Niculin Jaeger from the Embassy of Switzerland, Davit Antelidze, Giorgi Gviniashvili from Arttime, Irakli Ushveridze from JSC Healthy Water, Mikhail Mikeladze from FRANKE, George Chiladze from Silk Road Bank and me, from AlterGroup.

Since then, we have been pleased to welcome new members, Paata Kacharava from M&M International Forwarders, Joerg Keller from Leica Geosystems, Irakli Cholobargia from Group Levan Gachechiladze, Alexander Chochia from TAOBANK and Esben Emborg from Nestle.

We held our first General Assembly on April, and a month later we presented our webpage to the public in a nice event in the Embassy of Switzerland. Also in May we went to Zurich and signed a MOU (memorandum of understanding) with the SOFI in which both organizations committed to promote investment, interchange information, provide each other consulting services and enroll in joint actions.

We participated in the Swiss invest forum held last summer in Zurich, where we successfully promoted Georgia as an interesting spot for investment.

To show our support and solidarity with the local wine producers, we went to Veliscikhe in Kakheti to harvest grapes and bought tons of them.

For the year to come we have several projects that pursue to tighten and strengthen the relations between Georgia and Switzerland. We welcome the negotiations for an Agreement to avoid double taxation between the two countries as well as the conclusion of the Agreement on the protection and exchange of investments.

Altogether we had a very successful first year of existence as a Business Association and it has been a real pleasure to lead such a dynamic organization.



Vladimir Ugulava
Founding Member and president of the Board of the GSBA
AlterGroup

Presentation of the GSBA

The Founding members of the GSBA presented the Association to the General Public in an Event held at the Marriot Tbilisi on December 15th, 2005. Representatives from mayor companies in Georgia like TBC Group, Selford Group, GWS, Coca Cola, Aldagi, amongst others, as well as key figures of the government.



As for international Organizations, we were glad to receive

representatives of the World Bank, the International Monetary Fund and the European Bank for Reconstruction and Development.

It is well worth to mention that on that day the GSBA presented its Code of Conduct (available in our webpage) which aims to establish accountability, transparency and trust in the Georgian business climate and binds it's members to apply only the highest standards of Business Conduct in their activities.



Importing best business practice in to Georgia

Aiming to strengthen business relations between Switzerland and Georgia, the Georgia-Swiss Business Association was founded in Tbilisi on December 15. The Embassy of Switzerland in Georgia, along with leading Georgian companies with close relationships to or representing Swiss companies such as Alter Group, Nabeghlavi, Franke, Arttime and Silk Road Bank have jointly established the GSBA.

The organization's priority is to improve Georgian business climate through the adoption of the best Swiss business practices and high ethical standards.

The Code of Conduct has been drawn out by initiators of the venture as a guideline for the future activity of the organization. The acceptance of the Code of Conduct will be a preliminary condition to all members of the GSBA.

With the support of the Swiss Embassy and the economic ministries in the partner countries, as well as in collaboration with special promotion agencies like the Swiss Organization for Facilitating Investments, the Swiss Export Risk Guarantee Organization, the Swiss Import Support Program, and the Business Network of Switzerland, the association and its founders will work as a contact for all interested business partners from Georgia and Switzerland.

The association will help carry out direct investment projects and promote the introduction of Georgian companies and their goods into the Swiss market. GSBA will organize international business missions, conferences and seminars and other measures for successful implementation of investment and business projects.

GSBA is likely to enroll the Swiss Chambers of Commerce Abroad (SWISSCHAM) as a member which will facilitate contacts between the countries and in the region.

The board of GSBA consists of five members and representative of the Swiss embassy in Georgia will be a permanent board-member.

Georgia Today interviewed Kakha Ugulava, the president of GSBA, for more information on the organization.

GT: Georgia can't boast with its investment climate. How did you manage to attract such cautious partners as Swiss businessmen?

Kakha Ugulava: The idea came from Switzerland, anyway. When I was on a business trip in Zurich, I met with SOFI, and SWISSCHAM, and it turned out that they were interested in learning about the Georgian business climate. Commensurately the idea for the creation of GSBA was born. The association is aimed at researching the Georgian business environment and showing Swiss companies Georgian business potential and investment opportunities. From the other hand the association has to introduce Swiss business to Georgian businessmen and act as kind of mediator between these two business communities.

GT: Are there any independently acting Swiss companies in Georgia thus far, apart from the founders of GSBA, which represent or are in relationship with Swiss partners?

Kakha Ugulava: I scarcely think there is any purely Swiss company in Georgia. However, there are a number of companies registered in Switzerland and carrying out their business activities in Georgia.

GT: Which opportunities do Swiss partners see in prospect?

Kakha Ugulava: Establishment of the organization doesn't mean that Swiss business is going to invest in Georgia right now. It will ensue after GSBA will become the member of SWISSCHAM and undertakes its activity officially. Our association is aimed to gather all due information and send it to Swiss partners, but they are very careful, and only after scrutinizing the information will they decide on Georgian business opportunities by themselves. Now our association includes founder companies alone who are in touch with Swiss business already.

GT: What opportunities do you see in this partnership for Georgia then?

Kakha Ugulava: Switzerland is an excellent country in my mind. It isn't the country of banks alone. It has other very prosperous business sectors including machinery, finance sector, construction, industry, and agrarian sector. You can't name the field which isn't developed there. And what's remarkable of this country is the flawless quality in everything they do. And my first and foremost goal is to 'import' the best features of Swiss business, which is conspicuous by the quality and transparency, into Georgia.

GT: Which companies have already expressed their will to join your association?

Kakha Ugulava: A lot of local companies are eager to join us but we will undertake registration procedures from January 2006.

GT: The introduction of a Code of Conduct as the main principle of the business community is a novelty in Georgia. How do you intend to check the reliability of potential members in terms of this code?

Kakha Ugulava: Our main goal is establishment accountability, transparency and trust in the Georgian business climate. We exclude any kind of bribery and corruption. So we accept only those companies which acknowledge these three main components of doing business. We will check the reputation of applicants and their business principles, and then the board will decide their fate. If any of our members breaks the code in future, we will exclude it indisputably.

Nino Patsuria

23.12.2005



Partnership with SOFI

On May the 2nd 2006 we signed a “Memorandum of Understanding” (MOU) with SOFI, the Swiss Organization for Facilitating Investments. SOFI is an instrument of the Swiss Government established and sponsored by the Secretariat for Economic Affairs of the Ministry of Economy, and its primary objective is to assist the economic development of the private sector in partner countries. The main activity of SOFI in this respect is to facilitate long term cooperation between Swiss and foreign enterprises and thus support the transfer of know how and capital to these countries.

As a result of this MOU, SOFI and the GSBA are to cooperate in the following fields:

- Promoting the idea of investing
- Supplying of information to investment partners
- Searching and selection of suitable investment partners
- Providing specialized Consulting Services and Joint Actions

Launch of our web page



On Tuesday May the 23rd the Former Ambassador of Switzerland to Georgia, H.E. Stephan Speck presented, at the Embassy of Switzerland, our webpage to the general public, the business community, members of the government and the press.

Our webpage was well received for being available in Georgian, English and German, and since then it has served us

to receive applications from new members, promote our current events and as a communication tool amongst our members.



Paata Kacharava from M&M international forwarders and FEDEX with Lorenz Kohler.

Mikhail Mikeladze from FRANKE with local reporters



Ron Waldman from Basel Group, HE Stephan Speck and Esben Emborg from NESTLE.

Tengiz Chantladze from NeoMedia and Giorgi Gviniashvili from ARTTIME



Representatives of The Messenger, Novartis and Gabriela G. Cherem

The Messenger

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New website promotes Georgian-Swiss business relations

By Eka Basilaia

The Swiss Embassy hosted the unveiling of the Georgian Swiss Business Association's (GSBA) new website on May 23.

The website is available in Georgian, English and German and contains a variety of relevant information regarding the GSBA, including news about its ten member organizations and how to join.

The GSBA is a non-profit organization that aims at promoting business relations between Georgia and Switzerland. The Swiss Embassy is one of the GSBA's founding members along with the Alter Group, Nabeghlavi Mineral Water, Arttime, Franke Caucasus Ltd, and the BTA Silk Road Bank.

"I believe that Georgia is an interesting country for foreign investors," the Swiss Ambassador HE Stephen Speck stated at the presentation adding "for Georgia it is important to introduce Swiss companies to the country so that they can share their experience, management skills, and technology and to help establish them in Georgia."

The Georgian and Swiss Ministries of Economics in collaboration with special promotion agencies - the Swiss Organization for Facilitating Investments, the Swiss Export Risk Guarantee Organization (ERG), the Swiss Import Support Program (SIPPO) and the Business Network of Switzerland - are supporters of the association. In June the GSBA will participate in the Swiss Invest Forum in Zurich. The objective of this forum is to assist Swiss enterprises in gaining direct investment opportunities and related business partnerships in international markets. Mikhail Mikeladze the managing director of Franke Caucasus Ltd told The Messenger that Georgian companies will have privileged spots at the forum thanks to increased efforts of the Swiss Embassy and GSBA founders.

The address of the new site is www.gsba.org.ge.

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Highest standards – the key of Georgian-Swiss business relations

The new web-page of the Georgian-Swiss Business Association, www.gsba.org.ge is available for all visitors in three languages: Georgian, English and German.

“I think Georgia is interesting as a region for foreign investors. For Georgia in its turn it is important to have Swiss companies entering and implementing their knowledge in the country and to share their technical knowledge and experience,” declared H.E. Stephan Speck, the Ambassador of Switzerland at a reception held in the Swiss Embassy on May 23, while presenting the webpage.

Gabriela Guerrero Cherem, General Coordinator of GSBA, explained that the companies interested in membership will be able to receive information about requirements for membership and can become members of GSBA by filling out applications on-line. More detailed information about GSBA, its members and services, and an overview of partner countries is available on the new web-site.

Mikheil Mikeladze, Director of Franke Caucasus LTD, one of the founder companies of GSBA, mentioned that interested companies would benefit from highest business, ethic and legal standards, outlined in the Code of Conduct, which the founders of the Association had agreed upon.

“GSBA is open for individual businesses and large companies, but we take responsibility for our members and there are quite strict requirements they should satisfy before becoming our members. We elaborated a Code of Conduct, which is our main guide. Companies should be transparent and law-abiding if they want to become members, and they have to present a reference from a current member,” said Mikeladze.

GSBA, a non-profit organization, was founded in December 2005 by the Embassy of Switzerland and Georgian companies that have close business relation with Switzerland, including Alter Group, Silk Road Bank, Nabeghlavi, Franke and Arttime.

With the support of the Swiss Embassy and the Economic Ministries of partner countries and in collaboration with special promotion agencies like the Swiss Organization for Facilitating Investments, the Swiss Export Risk Guarantee Organization, the Swiss Import Support Program, and the Business Network of Switzerland, GSBA will work as a contact for all interested business partners from Georgia and Switzerland.

“The idea behind the GSBA is that we contracted increasing interest from Swiss companies in the Georgian emerging market as well as from Georgian business people to have closer relationship and ties with Switzerland. This is why we founded GSBA, and the first results we have now after half a year are quite encouraging,” said Niculin Jager, Deputy Head of Mission of Embassy of Switzerland to Georgia, Armenia and Azerbaijan.

GSBA members will participate in the GSBA Swiss Invest Forum in June and present Georgia to the business community in Zurich. The forum is organized by SOFI with the aim of assisting Swiss enterprises engaged in direct investment and related business

partnership in international markets, with an emphasis on the economies undergoing development and in transition.

“The Forum will be dedicated to several different emerging regions, and one of them is Georgia. Some delegates from the board and from the members of GSBA will participate in the forum and they are always willing to invite other Georgian companies to attend this meeting,” said Jager.

Mikeladze mentioned that the participation of GSBA is one step forward establishing and strengthening Georgian-Swiss business relations.

“Swiss investors make business decisions very carefully but all their steps are perspective. We will introduce Georgia to the business community and inform businesses about perspectives and the potential for them in the Georgian market,” said Mikeladze.

Nina Akhmeteli

26.05.2006

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We went once again to Zurich on June 12 and 13, to participate in the Swiss invest forum organized by the Swiss Organization for Facilitating Investments, SOFI. The Forum was held in Zurich's Kongresshaus. Besides presenting Georgia as a hotspot for Swiss investment, our representatives promoted GSBA's member companies as well as Georgian wine.

There were queues of people lining up in our stand eager to have a taste of Georgian wine!

The Swiss Invest Forum is an initiative of SOFI. Its objective is to facilitate Swiss enterprises engaged in direct investment and related business partnerships in international markets, with emphasis on developing economies and economies in transition.

Vintage Trip to Veliscickhe

There is a tradition in Switzerland to help the farmers in the vintage of their yearly crop in return of some great food for a well done job. What used to be a tradition in Switzerland might also become one within our Association since some of our members with their families went to Veliscickhe, in Kakheti to vintage



the grape crop. Added to the fun we had collecting grapes, making juice out of them and enjoying a nice supra, some members bought more than 10 tons of grapes with which they will produce their own wine.

Alter Group, Arttime, Franke, Nabeghlavi, TAOBANK and Wissol, members of the Georgian Swiss Business Association (GSBA), along with the Deputy Head of Mission of the Embassy of Switzerland Niculin Jäger, the Minister of Agriculture Mr. Simonishvili, as well as local Kakhetian authorities, were amongst the attendants to the event.



Niculin Jaeger, Embassy of Switzerland



Mikhail Mikeladze, FRANKE



Local farmer in an interview with
IMEDI TV



From left to right; Irakli Ushveridze from NABEGHLAVI, Alexander Chochia from TAOBANK, Mikhail Mikeladze form FRANKE, Niculin Jaeger from the Embassy of Switzerland, Nika Ugulava, and Kakha Ugulava from AlterGroup.

Samson Pkhakadze from WISSOL



The GSBA Kids

The Messenger

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Tuesday, September 19, 2006, #177 (1197)

News in brief:

The Georgian Swiss Business Association helps local vineyards

On Saturday September the 16th the Georgian Swiss Business Association went to Kakheti to help out with the 2006 grape harvest. The members of the association helped local farmers to collect grapes and purchased over 10 tons of grapes, from which they will produce their own wine. After the grape gathering, the attendants enjoyed a traditional Kakhetian supra with farmers and the local authorities. The event was meant to promote Georgian wine and show the GSBA's support of the local vineyards and the wine industry. The companies Alter Group, Arttime, Franke, Nabeghlavi, TAOBANK and Wissol, members of the Georgian Swiss Business Association, along with the Deputy Head of Mission of the Embassy of Switzerland Niculin Jäger, the Minister of Agriculture Mikheil Svimonishvili, as well as local Kakhetian authorities, were amongst the attendants to the event. Niculin Jäger thanked the local farmers for their hospitality and said that it's a Swiss tradition to help the grape harvest in return for a good meal. Vladimir Ugulava, president of the board of the GSBA, added that he wished we could also start this tradition in Georgia.

Our Members

 IterGroup



 BTA Silk Road Bank



 FRANKE



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საქართველოს ბუნებრივი წყლები
GEORGIAN NATURAL MINERAL WATER
NABEGHLAVI



 TAOBANK

 WISSOL
პრომოქი

Contact

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