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Forbes Special Issue: Georgia-Kazakhstan // July 2018

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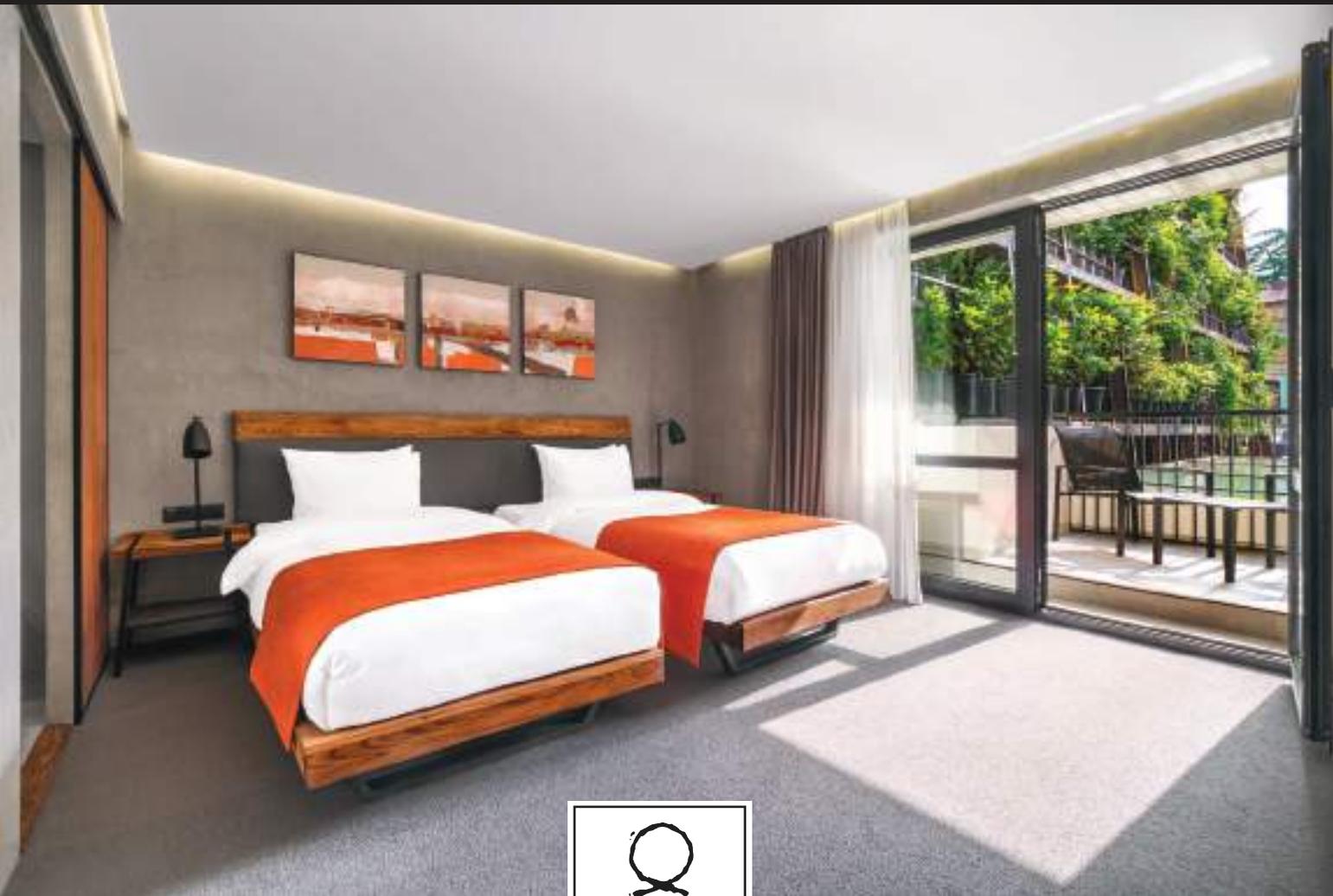
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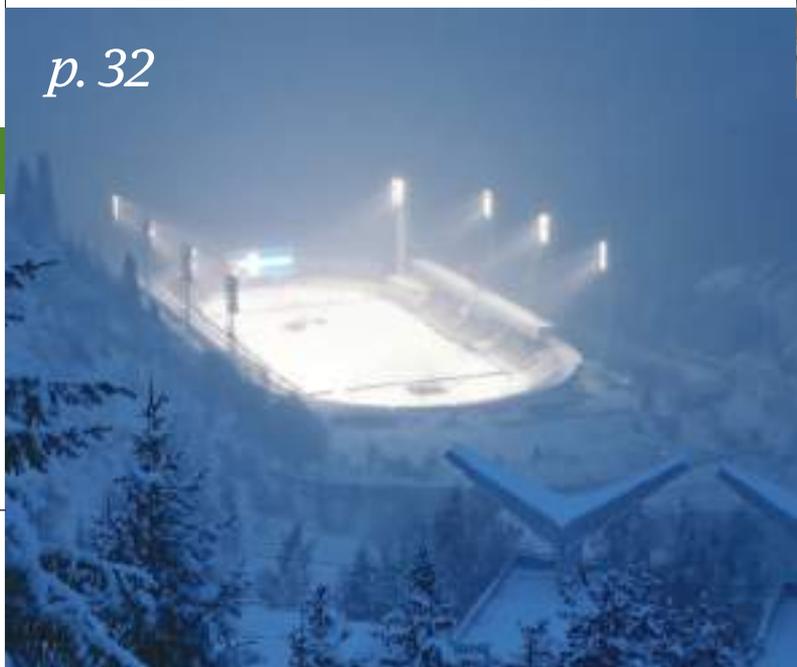
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Tsinandali Festival

Tsinandali, Georgia

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Copy Editor: Eleonor Rambo

*Art-Director / Photo Editor / Designer:
Anna Shukhaeva*

*Writers/ Reporters: Elene Kvanchilashvili, Elene Chomakhidze,
Telara Gelantia, Salome Chipashvili, Zaza Abashidze*

Translators: Tea Malania, Mzia Kvanchilashvili

*Photographers: Khatuna Khutsishvili,
Nika Paniashvili, Jaba Chitidze*

Web Director: Gogi Kavtaradze

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Publisher: Maia Mirijanashvili

Sales Director: Leli Mirijanashvili

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THE RIGHT BET TO TAKE

BY GIORGI ISAKADZE, EDITOR-IN-CHIEF

THE IDEA WAS BORN during Armanjan Baitasov's visit to Tbilisi.

I arrived at the cozy Radisson terrace with the publisher of Forbes Georgia, Mrs. Maia Mirijanashvili. On those rare occasions when our Kazakh partner visits Georgia, we bend over backward to come up with new ideas. By the way, the idea of publishing a joint Kazakh-Georgian edition is not our only innovation. We—the partners—also decided to offer our regional readers news in English, Russian and Turkish on our Georgian website: forbes.ge.

Mr. Baitasov accepted the idea of a joint edition with his usual silence. However, as expected, his silence was soon followed by a statement reflecting his willingness to embrace new ideas and turn them into reality, which makes him an exceptional entrepreneur and an easy-going partner. In just a few days, the working group had been established, and after a few conference calls with our Kazakh colleagues, the work was well underway. It was clear that the edition would have unprecedented circulation, different content, including stories that inspire readers and boost their motivation and most importantly, the cover story and its hero!

This hero is Mr. Zurab Pololikashvili, a former businessman, public figure and Georgia's ambassador to Spain. Presently, Mr. Pololikashvili serves as the ambassador for the world's most dynamic growth industry. For the first time in history, a citizen of independent Georgia held such a high post and led the World Tourism Organization. Zurab Pololikashvili is currently the Secretary General of the UNWTO and will deservedly appear on the cover of our magazine, sharing some interesting stories and challenges within the tourism industry.

Was he the only option that I, as editor-in-chief, considered for the cover story? Obviously, no. In view of the rather complicated, but also entirely unique business relations between Georgia and Kazakhstan, we initially planned to have two cover stories. The ties from the Soviet past that are now part of a waning reality have been replaced with fresh vigour: a young generation with sufficient determination and the skill to do more than just live on past glory. My next choice will definitely be the international company Silk Road Group. The partners in this group are a Georgian businessman, Giorgi Ramishvili, and a Kazakh businessman, Erkin Tatishev. To be completely honest, I am quite familiar with Tatishev's story, therefore having Mr. Tatishev on the cover of the magazine along



with his Georgian partner would be somewhat of a challenge. It would not only be difficult to justify the idea of a completely unusual publication, but also serve as validation of the potential that Georgian-Kazakh economic relations hold in this divergent century, when technological solutions precede challenges and introduce new business models.

The Forbes issue that you are reading right now is the first joint product of two publishing houses. The teams of the Georgian and Kazakh Forbes magazines worked collectively for 2-3

months to acquaint readers with the extraordinary partnership and business-making potential that our two countries historically enjoy.

It comes as no surprise that Kazakh investments dominate in Georgia, including in the most important and strategic spheres. Kazakhs are well informed about Georgia's leadership role in implementing reforms and achievement in the sphere of tourism, which makes it attractive not only as a short-term or travel destination, but also from an investment point of view, with its loads of potential. Georgia expects to host a minimum of seven million people in 2018 alone! Do you think that we can handle that much traffic on our own? I doubt that... which is why, along with the number of tourists, the volume of FDI is increasing. The vector of these Foreign Direct Investments, in addition to various other industries, is steadily pointed in the direction of the Georgian hospitality sector.

And while you are reading this editorial, I am already thinking of new joint plans that we want to present to our large audience and readers in Georgia and Kazakhstan, as well as in the entire region.

You are all invited to Forbes' Gala Reception, which will be held in November, in the Georgian capital of Tbilisi. We are very good hosts, but at the same time we also like to visit.

Meanwhile, Armanjan Baitasov will visit us or we will travel to Kazakhstan, since I have not been there in a long time. To be more precise, I have not travelled to Kazakhstan since the establishment of Astana in 1997. As a very young statesman, I travelled as part of a five-person delegation from the Georgian government to attend the inauguration of the new capital of Kazakhstan.

We should meet more often.

The fact is that Georgia and Kazakhstan are coming up with amazing projects, and that is why we stick together.

Only Forbes can pull it off. 

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Forbes
ПРИЛОЖЕНИЕ

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АДРЕС РЕДАКЦИИ

050012, г. Алматы, пр. Сейфуллина, 498, 6-й этаж, офис 611
Тел.: (727) 315-04-11, (727) 315-88-22, тел./факс (727) 315-04-12
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Art-Director / Photo Editor / Designer:
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DIFFERENT BUT COMPATIBLE

BY TATYANA TRUBACHEVA, SPECIAL ISSUE EDITOR

THE IDEA TO PUBLISH A JOINT ISSUE

on tourism in Kazakhstan and Georgia was born during Armanzhan Baytasov's, the publisher of Forbes Kazakhstan and Forbes Georgia's shareholder, Tbilisi visit. He decided to show tourism opportunities of these two countries and describe in two languages - English and Russian - what both countries are praised for.

The concept looked quite bizarre. It seemed we are too different, that it is only the Soviet past, what relates us to each other. But it turned out that the threads of the Silk Road are capable to tie our countries together much stronger than one can suppose. A noteworthy opinion on the subject belongs to Yerkin Tatishev (№11 in Forbes Kazakhstan list of the richest businessmen).

In the course of our talk the co-owner and chairman of the board of Kusto Group defined tourism as "learning your culture and yourself through other people and their culture". From this perspective he sees huge potential in Kazakhstan - a country that has excellent culture, cuisine, music, fantastically beautiful nature.

Georgia has it all, too - hospitality, wine, dances, music, people, all guiding you to truly love the country. Georgia was able to turn it to its advantage and make the tourism its oil. This year the country expects a record number of visitors: the head of National tourism administration George Chogovadze forecasts to receive over 8 million international travelers. That's with the local population being 3.73 million people.

Kazakhstan also needs to combine cultural and gastronomic experiences and nature. By merging these concepts innovative and sound projects will be born. That is when tourists will start arriving.

Tatishev, who has already delivered several business projects in Georgia, takes part in preservation and development of Tsinandali - a manor house of Chavchavadze family... it is against the rules - to interrupt halfway through the sentence - but I shall depart from the rules to briefly talk about Tsinandali. This is the place where Europeanization of Georgia began, and at the same time where Georgia preserves its inimitable and invincible spirit. The place, where cultures merge, but do not fuse, where new is introduced and old is not buried in oblivion. It is Kvervi - an enormous earthenware pot



for wine fermentation, which gives birth to what became Georgia for me.

... So, Yerkin Tatishev, who got connected with Tsinandali project and Georgia in general, came up with an idea: our countries can offer a joint travel package "Georgia + Kazakhstan". A tourist flying from Europe to Asia (or backwards) can stop off in Georgia and Kazakhstan. The experiences will be really different, but compatible.

This definition - different, but compatible - also perfectly describes the special issue by

Forbes Georgia and Forbes Kazakhstan. The colleagues painstakingly examined tourists flows in and out of Georgia, rated hotels, checked out which places are preferred by local and foreign visitors, wondered, which way Kakheti will develop (by the way, Georgian provinces compete with each other for the place in the tourist sun, whereas we are still speaking with one voice, presenting the country to the world as a whole), long story short, dissected the country's tourist market with truly professional excitement.

The key point for us was to show our country at its best. To make our stories about Kazakhstan have magnetic impact on the readers (those, who will read this issue in Georgia), so that they wish to come to our country - to take pictures for Instagram in Charyn, to climb Kok-Tobe to enjoy spectacular views of Almaty, to ski or snowboard, to take hunting super tour or velvet antler bathes, to have a sip of life-giving water in South Kazakhstan...

Our covers came out to be different as well. On Georgian cover, there is - Zurab Pololikashvili, a Secretary-General of United Nations World Tourist Organization and his extensive interview about the role of tourism in the world and in Georgia; about the ways private and public sectors can cooperate in developing this field. Our cover pictures Astana, celebrating its 20th anniversary in July. Astana has become a "full-weight" capital. Even those living in Almaty, former administrative center of Kazakhstan, have already made peace with being "ex" and began visiting Astana not only for business, but also to show the city to their children and grandchildren, foreign guests and partners. This was hardly imaginable some 20 years ago.

Read Forbes, so different. Read Forbes, so compatible. 

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SENSATION OF FRESHNESS: **100%**

SENSATION OF COMFORT: **100%**



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LeaderBoard

Hospitality

Tourism represents one of the rare spheres in Georgia that is constantly moving forward. For many years now, the tourism sector has been growing steadily. Data published in April indicates that the number of international visitors increased by 16.8% compared to the same period of the previous year. According to the preliminary forecast, the number of tourists in Georgia will exceed 8 million in 2018, a record number for the country. In order to better understand the latest Georgian tourism trends, let us examine the data from January-April 2018.

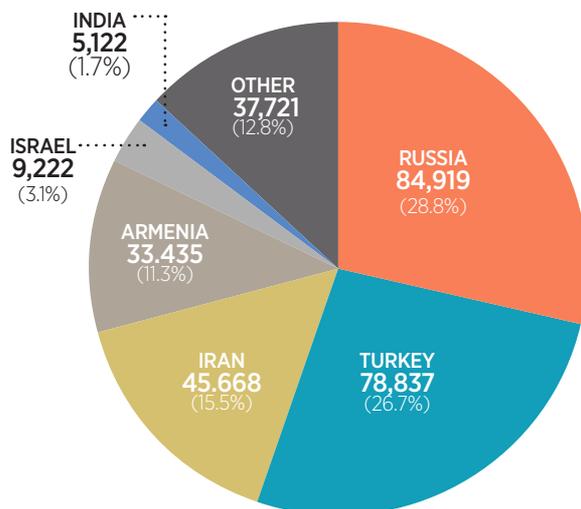
NUMBER OF
INTERNATIONAL
TRAVELLERS:

2,060,264
(+15.9%)

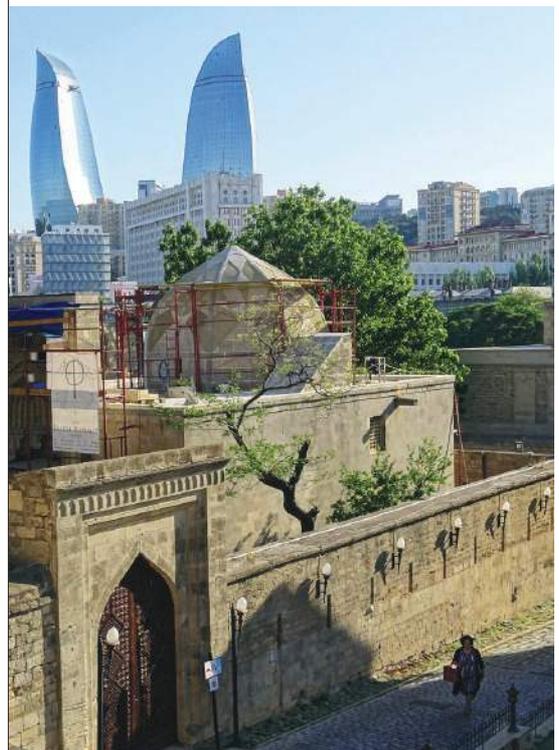
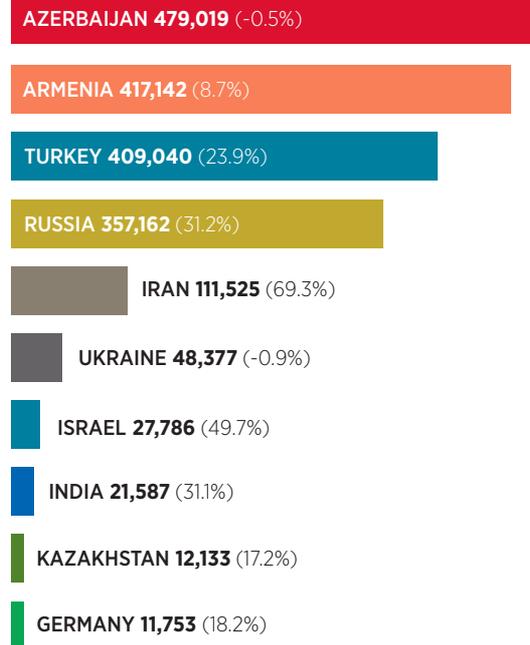
NUMBER
OF
TOURISTS:

937,370
(+27.2%)

ORIGIN COUNTRIES WITH A **GROWING** NUMBER OF TRAVELLERS (BY SHARE OF TOTAL GROWTH):



COMPOSITION OF TRAVELLERS
BY COUNTRY OF ORIGIN:



THE TOP FIVE EU COUNTRIES WITH A GROWING NUMBER OF INTERNATIONAL TRAVELLERS TO GEORGIA:



ESTONIA 83.1%



LATVIA 55.8%



UK 44.6%



SPAIN 43.9%



NETHERLANDS 38.4%

COUNTRIES OF ORIGIN WITH A DECLINING NUMBER OF TOURISTS TRAVELLING TO GEORGIA (APRIL):

ARMENIA 8,284 (58.5%)

UZBEKISTAN 2,160 (15.3%)

UKRAINE 1,013 (7.2%)

OTHER 2,688 (19%)

INTERNATIONAL ENTRIES BY REGION (APRIL):

NEIGHBOURING COUNTRIES 80.7%

EU MEMBER STATES 5.2%

OTHER COUNTRIES 14.1%

BREAKDOWN OF TOURISTS BY TYPE OF ACCOMMODATION:

HOTEL 63%

HOME STAY 17%

GUEST HOUSE 12%

OTHER 8%



YEARLY REVENUE FROM TOURISM, IN BIL. USD:

2017 **2.8**

2016 **2.1**

2015 **1.9**

2014 **1.8**

2013 **1.7**



LeaderBoard

Top-rated hotels in Georgia

As the tourism season draws near, we decided to take a closer look at the hotels operating in Georgia and determine which of them enjoy the best ratings from guests. Our rating incorporates the opinions of foreign tourists as well as Georgian clients. However, as the users of international tourism websites are mostly visitors from abroad, their influence on our evaluation is much higher. Forbes Georgia has used data from the popular US travel website tripadvisor.com. The methodology for putting together the ratings is based on the following principles: hotels must operate in Georgia and have at least 350 guest reviews.

TOP 10 HOTELS:



1. Rooms Hotel, Kazbegi

1,680
reviews



2. Radisson Blu Iveria, Tbilisi

1,229
reviews



3. Rooms Hotel, Tbilisi

782
reviews



4. Holiday Inn, Tbilisi

685
reviews





5. Sheraton Batumi Hotel



6. Radisson Blu Hotel, Batumi



7. Hilton Batumi



8. Tbilisi Marriot Hotel



9. Courtyard by Marriot, Tbilisi



10. Hotel British House, Tbilisi



Georgia by Economic Development Rank

In this article, we would like to demonstrate how Georgia's position changed in 2017, according to the 10 most important international rankings with obvious impact on the economic development of the country. The rankings include direct economic indicators, as well as measures of corruption levels, democracy and freedom of the press. High levels of democracy and media freedom are essential for the steady, long-term economic development of a country.

BY BESO NAMCHAVADZE



Today globalization is so important that nationalized economic boundaries have only formal significance. International business and capital are no limited by national borders and can operate in the locations that offer the best business conditions and profits. Therefore, countries compete to offer potential investors advantageous, business-friendly conditions. Various international rankings compare countries based on their business-friendly environments, and at the same time they offer a good opportunity to measure the effectiveness of a government's performance.

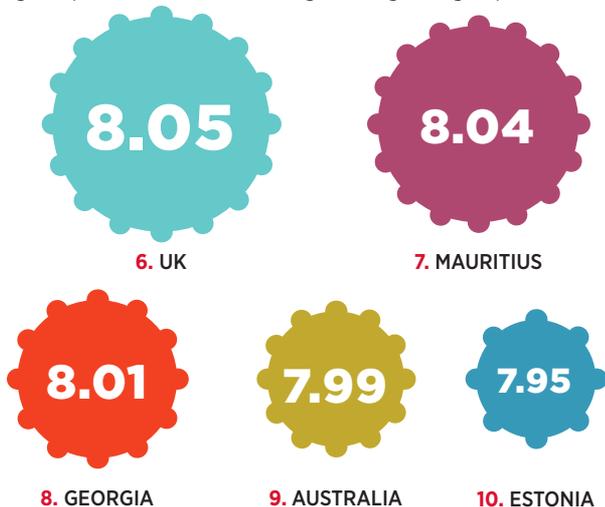
HERITAGE ECONOMIC FREEDOM RANKING (-3 PLACES)

The Heritage Economic Freedom Index measures economic freedom based on the rule of law, government size, regulatory efficiency and the openness of markets. In 2017, Georgia ranked 13th on this list (out of 180 countries), and in 2018 it moved to the 16th position. Hong Kong leads the rankings.



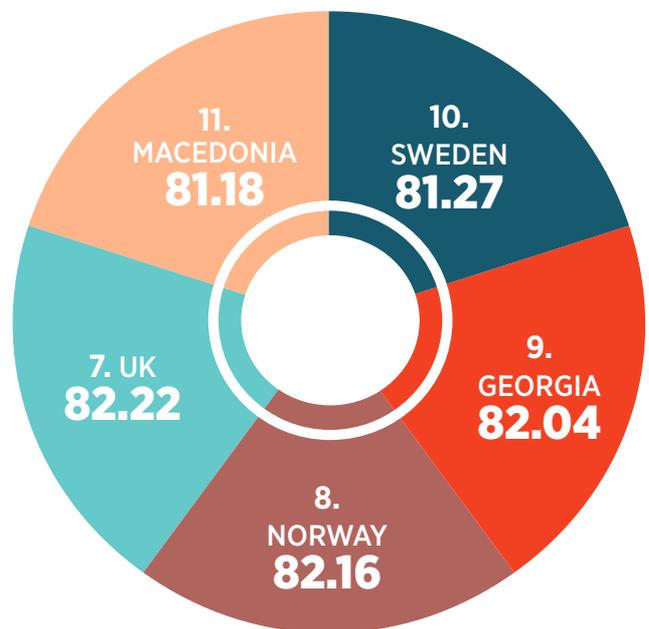
THE FRASER ECONOMIC FREEDOM INDEX (-3 PLACES)

The Economic Freedom of the World is an annual survey published by the Fraser Institute. The survey attempts to measure the economic freedom among the nations of the world. It has been used in peer-reviewed studies, some of which have found a range of beneficial effects from increased economic freedom. The survey measures economic freedom based on government size, regulatory efficiency, free international trade, price stability, the rule of law and property protection. In 2016, Georgia ranked fifth (among 159 countries), and in 2017, it moved to the eighth position in the rankings. Hong Kong tops the list.



DOING BUSINESS RANKING (+7 PLACES)

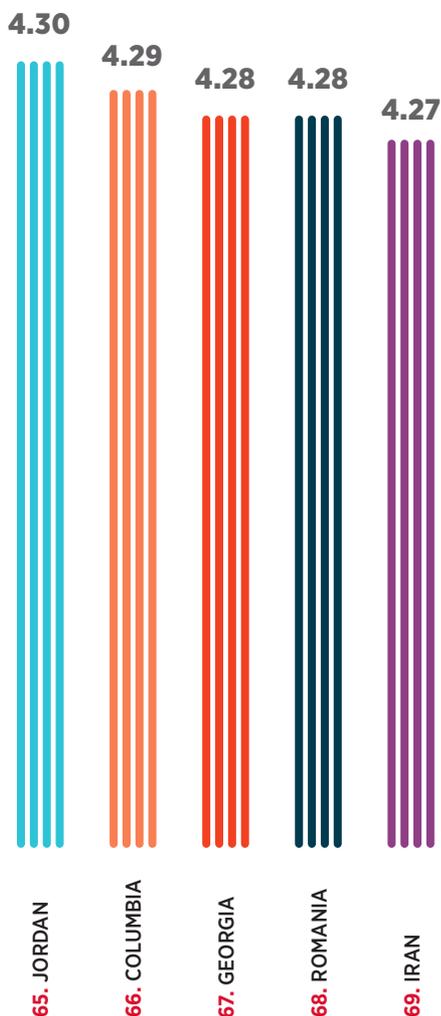
The ease of doing business index, which is published by the World Bank, assesses countries based on 10 main criteria, including the ease of starting a business, tax levels, the accessibility of loans and the ease of property registration. In 2016, Georgia ranked 16th (from 190 countries), and in 2017 it ranked ninth. New Zealand tops the Doing Business rankings.



LeaderBoard

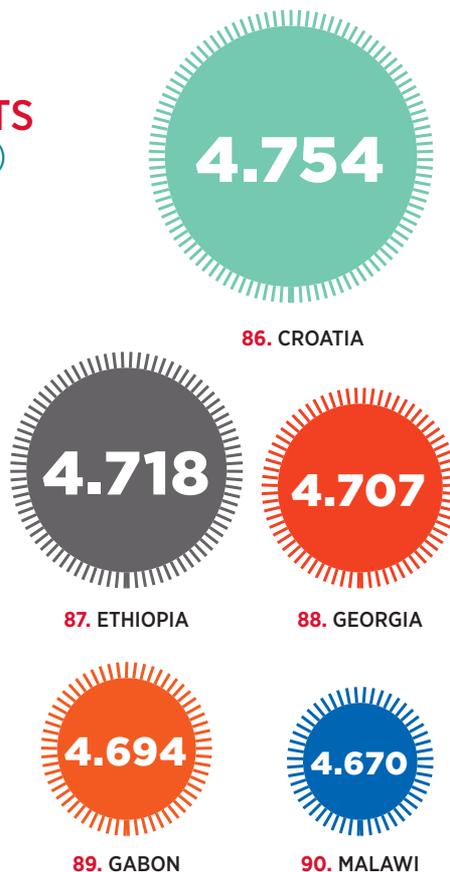
THE GLOBAL COMPETITIVENESS INDEX (-8 PLACES)

The Global Competitiveness Index is a yearly report published by the World Economic Forum. The Global Competitiveness Index is measured based on 114 criteria, and the data used for assessment is mostly obtained by conducting direct surveys of business representatives. In 2016, Georgia held the 59th slot (out of 137 countries), and in 2017, it moved to 67th in the rankings. Sweden holds first place.



THE INTERNATIONAL PROPERTY RIGHTS INDEX (+1 PLACE)

The International Property Rights Index (IPRI) is published by the Property Rights Alliance (PRA), an organization based in Washington, D.C. The International Property Rights Index serves as a barometer for the status of property rights, ranking the strength of rule of law, as well as physical and intellectual property rights in countries around the world. In 2016, Georgia held the 89th position in the ratings (among 127 countries), and in 2017 it moved to the 88th position. New Zealand occupies the first place in the IPRI rankings.



THE ECONOMIC GLOBALIZATION RATINGS (-3 PLACES)

The KOF Index of Globalization, compiled by the Swiss Federal Institute of Technology Zurich, measures economic, social, and political globalization. The level of economic globalization is determined by international trade, foreign investment and migration. The higher the level of globalization, the more potential a country has for development. In 2016, Georgia held the 16th place (out of 207 countries), and in 2017 it moved to 19th place. Singapore holds the first spot on the list.



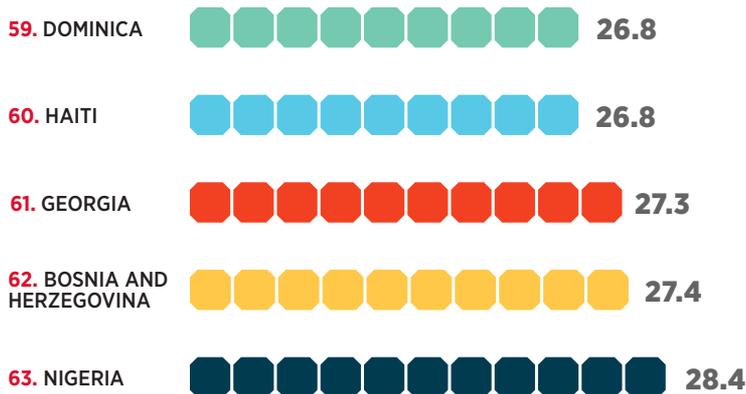
CORRUPTION PERCEPTION INDEX (-2 PLACES)

The Corruption Perception Index is published by Transparency International, an NGO based in Germany. The results of the rankings are based on more than a dozen surveys. Based on this index, Georgia had the 44th position in 2016 (among 176 countries ranked) and the 46th position in 2017. New Zealand and Denmark share the first place in the ratings.



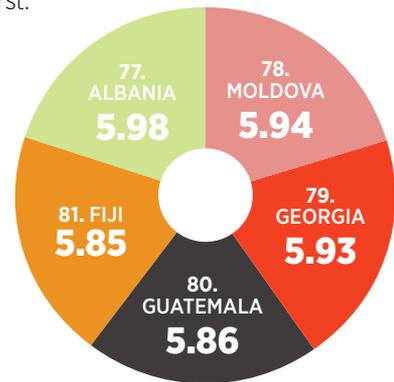
THE REPORTERS SANS FRONTIÈRES PRESS FREEDOM INDEX (+3 PLACES)

The Press Freedom Index, released by the organization Reporters Sans Frontières, is based on surveys conducted by experts. In 2017, Georgia held the 64th position (from 180 countries evaluated), and in 2018 it moved up to the 61st slot. Norway holds first place.



DEMOCRACY INDEX (+3 PLACES)

The Democracy Index is compiled by the UK publication The Economist and aims to evaluate the state of democracy based on electoral processes, the functioning of government, political participation and political culture. In 2016, Georgia held the 82nd position in the ratings, and in 2017 it moved up to the 79th position (among 167 countries). With a score of 5.93, Georgia falls into the category of a hybrid state. Norway ranks first.



FREEDOM OF THE PRESS REPORT BY FREEDOM HOUSE (-2 PLACES)

The independent watchdog organization Freedom House calculates its freedom of the press index based on surveys conducted by experts and researchers. According to this index, Georgia held the 100th position in 2016 and moved to 102nd position in 2017 (among a total of 199 countries). Norway holds the first position in this ranking.



INTERVIEW

ZURAB POLOLIKASHVILI -
SECRETARY-GENERAL OF THE
WORLD TOURISM ORGANIZATION
(UNWTO)



Tourism Momentum

International tourist arrivals grew by a remarkable 7% in 2017, to reach a total of 1.322 million, according to the latest UNWTO World Tourism Barometer. According to UNWTO projections, this strong momentum will carry on through 2018.

BY ELENE KVANCHILASHVILI

According to the UNWTO World Tourism Barometer, 2017 was the strongest year for tourism in the past seven years. Results for 2017 show that international tourist arrivals in Europe reached 671 million in 2017, a remarkable 8% increase following the comparatively weak year 2016. Growth was driven by extraordinary results in Southern and Mediterranean Europe (+13%). Western Europe (+7%), Northern Europe and Central and Eastern Europe (each+5%) also recorded robust growth.

Growth is expected to continue in 2018. Based on current trends, economic prospects and the outlook from the UNWTO Panel of Experts, the UNWTO predicts international tourist arrivals worldwide will grow at a rate of 4%-5% in 2018.

Zurab Pololikashvili, the Secretary-General of the World Tourism Organization (UNWTO), sat down for an exclusive interview with Forbes Georgia.

Mr. Pololikashvili, thank you for your time. Let's start with priorities: what are your priorities for the UNWTO? What would you like to achieve?

We aim in the long run to achieve a sustainable, smarter and more competitive sector for development, inclusive growth and job creation.

Having surpassed 1 billion international tourists per year back in 2012, tourism must be clearly positioned as a policy priority by advocating for the inclusion of the sector as a priority in national, regional and international agendas and in building better policies. This goes hand-in-hand with establishing leadership in knowledge creation and policy design, meaning developing international standards, policy recommendations and guidelines, advancing research and exchanging good practices on tourism policies aiming to maximize the socioeconomic value of the sector. The UNWTO must keep working towards improving the value it offers to its members and the tourism sector as a whole, while expanding its membership. We need to increase resources and strengthen our capacity through partnerships.

During my mandate the UNWTO will advance five key priorities to reach the goals I mentioned: 1) Tourism innovation and digital transformation; 2) Fostering investments and entrepreneurship; 3) Generating more and better jobs through education and employment; 4) Building resilience and facilitating travel; 5) Protecting our heritage through social, cultural and environmental sustainability.

According to the UNWTO project "Tourism Towards 2030," it is

estimated that there will be 1.8 billion international arrivals by 2030. A brief SWOT analysis from you would be very interesting for our readers.

The sustained growth of tourism in recent decades brings immense opportunities for socio-economic welfare, poverty alleviation and the overall advancement of the 17 Goals of the 2030 Sustainable Development Agenda. 2017 was the eighth consecutive year of sustained growth following the 2009 global economic and financial crisis. Last year, international tourist arrivals grew by 7% and totaled 1.3 billion visitors crossing international borders. The UNWTO forecasts international tourist arrivals will reach 1.4 billion by 2020, and 1.8 billion by 2030.

A brief SWOT analysis to outline the global travel and tourism sector in a general way from my perspective is as follows. In terms of industry Strengths: increased competition in the aviation and hospitality markets, the rapid development of new business models and the appearance of new companies offering new innovative services to customers.

In terms on Weaknesses: despite raised awareness of the importance of the tourism sector worldwide, the sector still isn't well recognized. Apart from that, visitors are not able to explore some new destinations due to restrictive and complicated visa procedures. Private sector stakeholders still need more and better incentive policies from the public sector.

As for Opportunities: destinations across the globe will have the chance to receive more tourists by offering diverse and authentic products focused on unique visitor experiences. People, lifestyle and gastronomy will be the main factors making destinations more attractive and valued on the global map. Although Europe will remain in the leading position, Asia and the Pacific will gain most of the new arrivals by 2030.

With regard to Threats: a continuing lack of coordination in the development of sustainable tourism and a lack of integrated policies in some parts of our globe measuring the economic, social and environmental impact of tourism may lead us to serious challenges.

Georgia's tourism potential: positives and negatives

Georgia has immense potential for tourism development. The rich tangible and intangible heritage, the warmth of people and the local lifestyle make Georgia a beloved tourism destination among new and potential visitors. The successful economic reforms undertaken over the past years could be considered a significant factor stimulating inbound and domestic tourism in Georgia. The country needs to increase connectivity and better address service quality.

How do Georgia's touristic aspirations fit into the global picture, as seen from a UNWTO perspective?

Georgia is seen as one of the fastest and most dynamically growing inbound tourism destinations. According to our latest World Tourism Barometer, international tourist arrivals in Georgia grew by 28% in 2017, which is one of the best results in Central and Eastern Europe. The Georgian National Tourism Administration, along with the private sector, actively participates in different international events under the aegis of the UNWTO and is playing an important role in the implementation of our General Programme of Work.

What exactly is your role as the Secretary-General of the UNWTO, and how does it relate to Georgia?

The UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability, and offers leadership and support to the sector to advance knowledge and tourism policies worldwide.

My job as Secretary-General of the UNWTO is to ensure that our 158 member states and more than 500 affiliates—in the private, academic and public sector, and at the regional or local level—receive appropriate services and guidelines aiming to ensure sustainable and competitive tourism growth.

Georgia, as a member of the organization since 1993, can benefit more from the UNWTO's services and activities and use it as a global platform for networking with key decision makers from public and private tourism sectors.

Between 2009 and 2010, you were the Minister of Economic Development of Georgia. Besides the overall responsibility of overseeing the country's long-term fiscal growth strategies, you were directly responsible for the development of tourism in Georgia—how do these two areas relate to each other in Georgia's case, as well as globally?

An interesting question. Tourism as a sector of the economy should be considered within the context of the country's long-term economic trade and economic policy. As Minister of Economic Development of Georgia, I was responsible for tourism policy in the country; ensuring coordination mechanisms between governmental and regional authorities; implementing incentive policies to encourage investors and travel companies to build strong public and private partnerships; and positioning Georgia as an attractive tourism destination on the international market.

Can tourism lead sustainable development?

Tourism can be a leader in sustainable development only if integrated policies related to economic, social and environmental aspects are effectively managed and coordinated by responsible stakeholders. Tourism is explicitly featured as a target in three of 17 Sustainable Development Goals (SDGs), specifically Goal 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"; Goal 12: "Ensure sustainable consumption and production patterns"; and Goal 14: "Conserve and sustainably use the oceans, seas and marine

resources for sustainable development." Tourism is like almost no other economic activity, crosscutting nature and forging links with other sectors, hence it's potential to contribute to all 17 SDGs. It is therefore no coincidence that in 2015, the UN General Assembly declared 2017 the International Year of Sustainable Tourism for Development to raise awareness for the contribution of sustainable tourism to development and to mobilize all stakeholders to work together to make tourism a catalyst for positive change.

There are challenges. How should the sector adapt to the challenges of safety and security, which result in constant market changes? And would you identify safety and security as the number one challenges to be dealt with currently?

Safety and security are an essential part of the global agenda, and consequently important for tourism. In spite of certain challenges, 2017 was characterized by sustained growth for many destinations, thanks to the quick recovery of markets which suffered declines mainly from terrorist attacks, such as Turkey, Egypt, Tunisia, France and Belgium. Aside from that, enhanced connectivity, improved visa facilitation and a global economic upswing played a decisive role in the excellent performance of the tourism sector last year.

One of key priorities of the UNWTO in the coming years is ensuring safe, secure and seamless travel by enhancing members' resilience through crisis preparedness and communication.

What could be done to ensure that tourism growth is translated into more investment, more jobs and better livelihoods in Georgia and elsewhere?

The UNWTO has a strong position in this regard. In coming years, the UNWTO will focus on developing conditions for entrepreneurship and investment in tourism, including producing knowledge about accessing financing and investment. Investments need to be well-targeted, given governments' budgetary constraints and the high competition for foreign direct investments. We will support member states in attracting investments through the promotion of specific tourism lines with existing funding institutions.

Would you agree that "there is no over-tourism, only under-management?"

I fully agree, if there is an integrated policy of sustainable tourism coordinated between the public and private sectors.

How would you assess the fact that Georgia is focusing more on its traditional source markets rather than targeting new ones? Which new markets could be important for Georgia? Since this edition will be circulating in Kazakhstan as well—could these two countries mutually benefit from each other's tourism potential?

Both Kazakhstan and Georgia can benefit from each other's tourism potential by creating favorable conditions for each other's nationals and exploring their demands and needs. I know the government of Georgia is investing a lot in promoting the country in various source markets. In order to increase a qualitative approach and international tourism expenditures, I strongly advise Georgia to

run active promotional campaigns in high-yield markets in Northern and Western Europe, North-East Asia and North America.

Since we mentioned Kazakhstan, you paid visit to Kazakhstan in March, where you discussed the opportunity of holding a meeting of tourism ministers from the Silk Road countries under the aegis of the UNWTO. Have you already planned any details of this meeting, and will Georgia be part of it, as well? What do you aim to achieve through this meeting? Why choose Kazakhstan as a venue?

It was my first official visit to Kazakhstan as Secretary-General of the UNWTO. I had a fruitful meeting with the prime minister and other officials to discuss bilateral cooperation and methods of future cooperation. Among different issues, we discussed how to further strengthen Kazakhstan's participation in our Silk Road activities. We will welcome all the initiatives of the government in the field of the Silk Road and other areas. In past years the UNWTO, in cooperation with Kazakhstan, implemented important Silk Road related projects.

One more point: Kazakhstan's Astana is fully a planned city—how should countries market such new cities for tourism?

I have been to Astana several times. This time Astana was seemed completely different to me, with massive developments, and I wish to praise the government of Kazakhstan for all their efforts. Today Astana is definitely a good example of development. Supportive policies, decent infrastructure, a well-connected private sector, ease of access, improvement in both visa procedures and connectivity and active promotion of the destination are the keys to effectively positioning new cities.

What should be the state's part in promoting tourism? What should be the role of the private sector? How should we ensure that the state does not become a direct competitor with the private sector?

The government has to create adequate and supportive policy and a regulatory framework for the development of tourism, which is essential to ensuring the success of private sector tourism and hospitality businesses.

There are different forms of direct and indirect government investment in promotion, and these forms are constantly changing. We are witnessing a rapid shift in business models and consumer behaviours, which is generating new platforms for tourism services. During this technological revolution and digitalization both the public and private sector should share their investments in destination promotion.

If we look at last year's T&T Competitiveness Index, we will see that Georgia ranks 70 out of 136 countries. If we look in more detail, we see that not only is infrastructure a problem, but also a lack of a consistent approach or the strategy to raise the sector's competitiveness. a) Are such indexes important

This time Astana was seemed completely different to me, with massive developments, and I wish to praise the government of Kazakhstan for all their efforts. Today Astana is definitely a good example of development.

and b) what type of vision should be in place to ensure more competitiveness?

The T&T Competitiveness Index is a good tool to see how a country advances its progress, or the contrary. To make a destination more competitive based on quality, it is of the utmost importance to, on the one hand, stimulate and incentivize the private sector, and on the other hand, invest in developing strong education systems for the tourism and hospitality industries. This approach will improve skills, education and specialized training programmes and ensure a highly qualified labor market.

I would strongly advise the government of Georgia to continue attracting leading tourism and hospitality schools and institutes to enter the Georgian market.

I wish to congratulate the Georgian tourism sector on the recent opening of the Les Roches International School of Hotel Management in Tbilisi.

In your speech, delivered in Berlin this March, you stressed that you are looking for "a more competitive and responsible tourism sector." What did you mean precisely?

I presented to the 108th session of the UNWTO Executive Council a new management vision and the priorities of the UNWTO, entitled "Towards 2030: Making tourism smarter, more competitive and more responsible." As we move towards the universal 17 Sustainable Development Goals, a strong focus will be made on building partnerships within the public and private sectors, fostering job creation and advancing technology and innovation, as well as addressing sustainability and fighting against climate change. 

RECORD-BREAKING CITY

Ten facts about Astana that will truly surprise you.

AUTHOR: ANTON KALMYKOV
PHOTO: PAVEL MIKHEEV

1. IT'S OKAY TO CHANGE THE NAME

Astana is not only the new capital of Kazakhstan (replacing Almaty in 1998) but also a city known for changing its name often. From 1830 to 1961, the military outpost and the city later built on its site were called Akmolinsk ("Akmola" in Kazakh). In 1961, it was renamed Tselinograd during the development of virgin lands surrounding it to boost Soviet agriculture and stayed this way until 1992. After Kazakhstan gained independence, the city officially returned to its original name, this time in Kazakh, becoming Akmola once again. When on June 10, 1998, the capital moved from Almaty, Akmola switched to Astana—which means "capital" in Kazakh. Quite subtle, isn't it? There are only two city names in the world with such straightforward translations from their native languages: Astana and Seoul.

In 2016, Kazakhstani parliamentarians suggested new names for the city: three popular options were Nazarbayev, Nursultan and Nur-Astana. However, no name proved to be popular among the public.

2. FASTER THAN THE REST

Astana officially reached a population of one million citizens in the summer of 2017. This demographic mark was hit unofficially in 2014, but for a long time was impossible to prove as some citizens ignored the mandatory registration requirement at their places of residence.

The capital is the fastest growing city in the Republic of Kazakhstan. Annual population growth during the ten years from 1999 to 2009 amounted to an







86.7% increase. The city's territory also expanded significantly, thanks to land extracted from Akmola Oblast (Region), and now stretches over 801.54 square meters.

3. CENTER OF GRAVITY

According to the last nation-wide population census (in 2009), only 36% of Astana's residents were born in the city. The rest are migrants from other regions of Kazakhstan. Nine years ago, 19.4% of such migrants were people from Akmola oblast. The top three areas supplying new residents to the capital today are the regions of South Kazakhstan, Karaganda and Kostanay.

4. CAPITAL OF RECORDS

There is a new Guinness World Records achievement waiting for you on every corner of your walk through Astana. For example, the capital of Kazakhstan is the hometown of the Ailand entertainment center, which includes the oceanarium furthest from an ocean in the world. The Khan Shatyr mall also appears on the pages of the Guinness Book. This creation, designed by the famous architect Norman Foster, is the world's largest tent-shaped building. The height of this architectural miracle is 150 meters including its spire.

You get the chance to see the city's oldest tree while walking in the park on the left bank of the Ishim River. The black poplar is more than 120 years old. Greenery receives special treatment in Astana—more than a million trees and shrubs have been planted here over the last 15 years, and soon a botanical garden will open, the first of its kind in Central Asia.

5. EXTREME TEMPERATURES

Astana sets temperature records as well. It is considered the world's second-coldest capital city after Ulan Bator. However, don't be fooled into thinking that it's always freezing in the metropolis. This Central Asian region's highest recorded difference in temperatures is 100 degrees Celsius—luckily, not in one year. The peak temperature in 1936 was 41.6 degrees Celsius; the lowest ever recorded was 51.6 degrees, in 1893.

It is best to visit Astana during the spring or summer. Make sure to pack an umbrella and some water-resistant clothes, since these seasons are not only known for warmer temperatures, but also heavy rainfall.

6. QUIRKY ARCHITECTURE

In the architecture world, Astana is often called the child of East and West. Its remarkable style is the result of world-renowned masters such as Kisho Kurokawa, Manfredi Nicoletti, Micael Calatrava and, of course, Norman Foster.

One of the most unusual buildings is the Palace of Peace and reconciliation, which resembles the Giza Pyramids. The Kazakhstan Central Concert Hall has a room shaped like a dombyra, a Kazakh traditional musical instrument, and the Nazarbayev Center looks more like a cosmic research institute than a public building. Other tourist attractions include the Baiterek monument and the country's national pavilion built for EXPO-2017, called "the Sphere." However, Star Wars fans have been referring to the latter as the Death Star. A quite fitting name, if you look at it.

7. TEA FLOWS LIKE WATER

Kazakhstan has the highest annual consumption of black tea—1.2 kg per person. To compare with another tea-loving nation, India drinks 650 grams per capita per year. Kazakhstan imports at least \$100 million worth of the beverage each year, as the country no longer produces tea itself. Almost nobody drinks green tea.

Don't be surprised when this drink is offered to you everywhere from hair salons to luxury restaurants—and don't decline it. Rejecting tea, which is used for welcoming all special guests (including astronauts), will be regarded as impolite.

8. IMMERSION IN HISTORY

Astana is the home town of one of the world's ten largest museums. The National Museum of the Republic of Kazakhstan holds the famous Golden Man; the golden finds of Berel, Taldy, and Taksay-2 mounds; unique excavations from the Botay settlement and the medieval towns of Turkestan and Otyrar. They are the most precious artifacts in Kazakhstan, both in terms of hard money and historical value, and form the national treasury.

9. CITY OF SPORTS

This sports-oriented city takes pride in its well-developed infrastructure for amateur athletes and healthy lifestyles. Astana holds a high number of marathons and mass sports events.

Astana Football Club and Barys Hockey Team have some of the highest numbers of professional awards in their collections in Kazakhstan's history. If you ever visit Astana during football or hockey season, check out their matches. Be sure to get your tickets early, because demand from loyal fans is astonishingly high.

The Kazakhstani capital also gave its name to one of the best bicycle racing teams on the planet—the Astana Pro Team, whose general manager Alexander Vinokurov is a big name far beyond Kazakhstan. It is due to his efforts that the country organizes amateur and professional bike rides: you can even join one on your next visit.

10. THE MOST ACCESSIBLE MAYOR

The post of akim (the local word for mayor) is one of the most prestigious public service jobs in Kazakhstan. In various years, future heads of the president's office and national funds, as well as soon-to-be ministers and ambassadors, occupied this position. Many consider the current mayor, Aset Issekeshev, the most easily accessible and technologically adept politician the city has seen so far. He runs his own social media profiles, replying to people's complaints directly, and often meets citizens outside of formal events. Issekeshev may comment on your Astana review, no matter how critical, as long as it's constructive. Don't forget to tag him in your post! 



BIG CITIES

BAIKONUR

Space starts here

How to visit the Baikonur launch pad – the first to send a man to space.

TEXT BY ALMAT TEMIRTASSOV
PHOTO: NASA/BILL INGALLS



For the first manned spaceflight we should thank... the Cold War between the Soviet Union and the U.S. It sounds weird, or even scary, but it's a fact. The invention of nuclear weapons required a way to deliver that dangerous cargo to hostile territory: thus, special areas and facilities were necessary for missile tests.

In the 1950s, the Soviet government decided to build a testing facility in the deserted vastness of southwest Kazakhstan. That area, near Tyuratam village, became legendary. The first man-made satellite of Earth was launched there, and astronaut Yuri Gagarin (the first man in space) started his journey here with the famous quote: "Let's go!" This quote can now be used by any tourist who dreams of watching rockets fly upward, taking passengers into orbit.

To breathe this cosmic air, you need to undertake a one- or two-day trip. First, you must travel from Almaty (the former capital of Kazakhstan) or Astana (the current capital) to the city of Kyzylorda, either by train or plane. Then you must travel to the Tyuratam railway station by car or train. Near its namesake village sits the town of Baikonur, which is a stone's throw from the space-launch complex itself.

To enter this restricted-access town, you need a special pass. Both the town and the spaceport are leased to Russia, so Russian laws apply. If you have friends or relatives living in Baikonur, they can help you with the pass. This procedure requires application at least 10 days prior to your arrival, for those with Russian passports, or 55 days prior, if the passport was issued by another country. Otherwise you need assistance from a Baikonur tour operator.

Ultimately, you will have to approach a tourist agency authorized by Roscosmos (the Russian State Corporation for Space Activities) anyway, as it is unlikely that you made this journey just to see the obsolete post-Soviet town of Baikonur, where you can still see signs and advertising towers bearing its former name: Leninsk. The space complex and museum located within it are secure facilities, and no entry is allowed without a special escort. So, like it or not, you will not be able to travel from the town of Baikonur to Baikonur spaceport without a tour operator.

Prices for tours to the space complex start from \$500. Economy-class trips include visiting the museum and watching a launch at a significant distance from the steppe, as opposed to standing two kilometers away from the launch pad. The more costly options include more features. For instance: the chance to visit press



The first man-made satellite of Earth was launched there, and astronaut Yuri Gagarin started his journey here with the famous quote: "Let's go!"

conferences, an astronauts' farewell ceremony and a rocket delivery. Such a travel package will cost at least \$3,000-\$4,000.

If you ask me whether or not it is worth spending time and money going to Baikonur, as someone who has been there, I would say it definitely is. I still remember the sound of the rocket and the tears that welled in everyone's eyes on the day of the spaceship launch. The noise from the huge white machine flying overhead, and the thought that the astronauts were racing away from earth-bound troubles to zero gravity, make a person envy those in spacesuits.

The spaceport museum is also a must-visit. The house where Yuri Gagarin slept before his flight is preserved there. Near the small building one can find an example of the legendary Buran space planes, which were the Soviet response to American shuttles. It is unique, as it is one of only three remaining combat ships.

Recently, Kazakhstan and Russia decided to develop tourism in Baikonur. Provincial Baikonur may be transformed into a small amusement park made of glass and concrete, with fake palm trees and screaming, flashing signs. This closed town could lose its one-of-a-kind magic, so, as was said in an old Soviet movie:

"Hurry and see!" 

At the speed of snow

How Almaty is being turned into the city of a hundred slopes.

AUTHOR: MARGARITA LIKHANOVA
PHOTO: ANATOLY USTINENKO

Perfected by ideal ski runs and the mountain sun, Kazakhstan is lately drawing attention away from widely-promoted European resorts for mountain skiers, snowboarders and other extreme sport enthusiasts.

BORED WITH COURCHEVEL

Around ten years ago, my wealthy Russian friend came to ski at Shymbulak, which is close to Almaty. "I'm a little tired of Courchevel," he explained, absolutely sincerely. He added: "Besides, our president skies here every time he visits Almaty. I'm interested to see how it is." Answering my question of how he liked the ski resort, he said: "Pretty well. Decent pistes and fair service. Not luxurious, but adequate."

It's no secret that this was nice to hear. Even better is knowing that ten years later Kazakhstan is able to offer, if not all the imaginable joys of mountain sports and outdoor activities, then many of them. And this fits perfectly into Kazakhstan's eco- and ethno-tourism development plan. Which is fortunate, considering the absence of opportunities the country offers for beach, yacht, spa and other niche types of leisure.

Within this context, Kazakhstan's position is both pragmatic and fashionable: today tourism trends center not on getting maximum comfort from passive luxury recreation, but on a search for new experiences and

impressions. This often includes a wish to dive into life in an unknown country while exploring its history, traditions and culture. All these, combined with unique natural beauty, give Kazakhstan a true advantage.

In recent times our brutal steppe country, embellished by the diamond necklace of the Tien-Shan and Trans-Ili Alatau Mountains in the southeast, has drawn some mountain admirers away from the Alps and Sochi. When planning for the immediate future, Kazakhstan demonstrates not only a desire but a firm readiness to gain a lasting name as one of the best mountain skiing centers in the world.

It is fair to say that our country has all the essentials for such an ambitious project. First of all, the generous opportunities offered by the natural world, plus a mild climate, allow for skiing from November until May in the sunshine at a fairly comfortable temperature of -5° to +15° Celsius. Second, there is a clear understanding from tourism officials that the mountains must become a distinctive part of the nation's tourism brand, which includes eco- and ethno-tourism. And above all—a wish to make this tourism image contribute to Kazakhstan's reputation as soon as possible.

ADRENALINE RUSH

Today most pistes are in the southeastern part of the republic—on the ridges of Tien-Shan and Tarbagatay,





When planning for the immediate future, Kazakhstan demonstrates not only a desire but a firm readiness to gain a lasting name as one of the best mountain skiing centers in the world.

Trans-Ili and Dzhungarian Alatau. However, there is still a chance to get an adrenaline rush on the slopes of the Altay Mountains, as well as in the country's north at the Schuchinsk-Borovskaya resort area. This region has been rapidly developing in recent years with strong state support.

To the east, near the city of Ust-Kamenogorsk, there is a mountain ski resort well-known among locals as the Altay Alps. The resort is one of the most picturesque in the country, very cozy and relatively affordable, with excellent service. Thirteen pistes suit both first-time skiers and those who feel confident on the slopes. Just steps from Ust-Kamenogorsk there is another resort, Nurtau, which is located in its namesake mountain village. It's the most recent resort ready to host visitors, and its pistes fit any taste and skill level, including free ride fans and those interested in evening and night rides.

The ski resort in Borovoye cannot really be called a high-mountain resort, as the slopes run over gently rolling hills covered with wonderful coniferous forests, and there are emerald lakes instead of plains at the bottom. But this resort is perfect for beginning skiers and those who prefer relatively easy slopes surrounded by natural beauty. Conveniently, a visit to this resort ideally accompanies travel to Astana, the capital of Kazakhstan.



Even more opportunities await travelers visiting the southern capital of Kazakhstan, Almaty, as its suburbs offer several mountain ski centers within just an hour's travel.

17 km away from the metropolis, the Tabagan resort is located among the amazing scenery of the Ile-Alatau National Park, and is divided into beginner's slopes and advanced skier's zones. Altogether, there are 11 pistes of various difficulties, and riding them is permitted till 22:00, as the slopes are excellently lit.

One more mountain ski center close to Almaty is Akbulak, which is protected from wind by Soldatskoye Gorge. Akbulak offers slopes for beginners and professional skiers, along with options for free riders.

But the most famous Kazakhstani ski resort is certainly Shymbulak, located just 25 km from Almaty. Its first wave of fame rose during the Soviet era. Seven years ago, during the Almaty Asian Winter Games, the world witnessed Kazakhstan's opportunities in general

and Shymbulak's in particular. The latest sports event, Winter Universiade 2017, also attracted the attention of mountain sports admirers and professionals. It is worth mentioning that in 2013, Forbes Russia included Shymbulak in its top 10 visa-free mountain ski resorts for Russian citizens.

Shymbulak went through major modernizations during its preparation for Asiad 2011: pistes almost doubled in length; riding areas were expanded 10-20 times over; snow canons were installed and the cableway was partially overhauled; the hotel was renovated; restaurants, boutiques, and a spa center were built; a mountain skiing and snowboarding school was opened. A special project involved the construction and launch of a 4.5-km cable way from the Medeu sports complex to the ski center, and today a ride to the pistes takes no more than 15 minutes. Now the most popular mountain ski resort in Kazakhstan offers a range of slopes for vari-



ous skill levels starting from zero difficulty, and also has extraordinary routes for mogul, tubing, giant slalom, speed skiing, and half pipe for snowboarders.

Kazakhstan has one more jewel in its crown: the construction of a new ski resort in the mountainous area of Kok-Zhailyau, near Almaty. The project risks controversy due to its location in a national park with a unique ecosystem. Its construction brought doubt and anxiety—is it worth exposing this precious wilderness to danger, destruction, or even disappearance?

The authors of this project are calmly and thoroughly analyzing the pros and cons and collaborating with the general public and experts, including from abroad. Developers must consider the example of countries which have managed to become leaders in mountain ski tourism, like Austria, Italy, and Andorra, while keeping their authentic ecosystems intact. It's obvious that today the mentality of both Kazakhstani businessmen and officials is changing. This includes a more diligent attitude towards maintaining international standards, especially ecological ones.

The result of this analytical research is as follows: the Kok-Zhailyau mountain ski resort will help Kazakhstan become not only a mountain ski center, but a leader in this sphere. It would not be fair to give the popular and well-liked Shymbulak this role, only together can these two resorts offer exceptional opportunities for recreation to their visitors. This construction will trigger the development of tourist infrastructure in Almaty, including the opening of new hotels, restaurants and tourist centers.

So, it seems that shortly Almaty will not only be the city of a thousand colors, but also the city of a hundred ski slopes. 





KAZAKH SWITZERLAND

Fourteen lakes in the heart of Kazakhstan inspire poets and welcome tourists.

TEXT BY ANTON KALMYKOV

The pearl of Kazakhstan. A place that inspired poets and warriors. A kind of beauty you fall in love with at first sight. This is Borovoe, a remarkable place in the very center of the country.

UNIQUE NATURE

Borovoe (“Burabay” in Kazakh) is one of the oldest health resorts in Kazakhstan. In 1920, then a small village located amidst a unique system of lakes, it was recognized as a resort of national importance. Today it is Kazakhstan’s main recreational zone with developed tourist infrastructure. The annual number of Borovoe visitors ranges from 500,000 to 700,000 people. This figure is expected to exceed 1 million by 2020.

For many years during the Soviet period, the authorities harvested a unique breed of pine here. Fortunately, this activity later stopped, and in 2000, the Burabay National Park was created to protect the area’s natural beauty.

Many travelers compare the local landscape with the foothills of the Altay Mountains, while others refer to the area as “small steppe Tibet.” However, thanks to natural scientists and the region’s fans, Borovoe has become widely known as “the second Switzerland.”



65% of the area's forest cover is pine, plus around 800 forest species, meadows and salt plants, some of which have medical value.

For those looking for the one-of-a-kind snapshots Borovoe offers, there are 14 different large lakes. These include famous ones like the namesake Borovoe, Shchuchye, Big and Small Chebache, Katarkol and many smaller lakes as well.

According to scientists, the national park has the highest concentration of natural resources in the republic in one place. Thus, 65% of the area's forest cover is pine, plus around 800 forest species, meadows and salt plants, some of which have medical value. The park is also home to more than 300 animal species, or 36% of Kazakhstan's total fauna.

IN SEARCH OF BALANCE

The main remaining issue for preserving Borovoe is the search for compromise between developing infrastructure for tourists and leaving nature intact. Significant investment went into the creation of "green" infrastruc-

ture for autonomous water consumption and power generation. In 2009, the republic's most modern speedway was built from Astana to the resort. It shortened the journey to 2.5 hours.

There are around 1,000 hotels, hostels, health centers and holiday camps in Borovoe. Many of them are economy-class hotels in which the room price per night does not exceed 10,000 tenge. The luxury sector is represented by the five-star Rixos Borovoe hotel, where a standard room will cost you 44,000 tenge a night.

Nevertheless, many special offers are available during the holidays. Early booking will also significantly reduce your expenses, and prices depend on the season. Borovoe is a year-round resort, but winter rates are much lower, with hotels offering discounts of up to 70%.

MAY KUMIS BE WITH YOU

Medical tourism became popular in Borovoe at the beginning of the 20th century, when Doctor Yemelyanov opened his private kumis health clinic, based on the dairy product made of mare's milk. Clear lakes, surrounding mountains, woodlands with distinctly fresh pine air and steppe grass contributes to the effective climatic treatment. Back in the USSR, Borovoe was a place where astronauts recovered their strength, athletes prepared for championships and the Olympic Games, and politicians and artists restored their health.

Today people come here to treat diseases of the respiratory and gastrointestinal tracts, as well as the cardiovascular and musculoskeletal systems. Doctors get the chance to combine various methods of treatment, including kumis, water and mud therapy. The consumption of Kumis—a legendary traditional Kazakh drink—



stimulates gastric acid production, which improves digestion and appetite, normalizes bile level and improves overall metabolism.

A LEGENDARY TOUCH

It would be a huge oversight to visit Borovoe without hiking. The best indicator of good physical fitness would be to conquer the local Kokshetau summit (“Blue Mountain in Kazakh). Its peak is 947 meters above sea level.

The best views over the Borovoe lakes are from Okzhetpes cliff. It is from here that the most impressive photos of the resort and national park, which grace books and websites, are taken.

The cliff is also the subject of many folktales. The most widely-known are three legends that tell the story of a strong young woman who chose freedom and tragically died in the waters of the lakes after jumping off the cliff. If you take a good look at Okzhetpes from the banks of the lake, you’ll see that its shape resembles a tall woman holding a handkerchief in her hand. Or anyway, this is what most tourists see.

There are 29 hiking trails and routes available all year within Borovoe National Park.

WINTER ACTION

The winter season in Borovoe is favorable for many activities. Over the past five years, the number of winter recreation centers here with ski slopes has quickly increased. Even hotels located far from ski resorts can arrange transfers to the ski slopes. There are no problems finding ski gear or English-speaking instructors.

Anyone visiting Borovoe in winter must stop by the local Santa Claus residence, a huge entertainment complex on the northern side of Shchuchye Lake that provides guests with tons of fun activities from December through February.

Winter is also the main season for medical tourism, which explains why popular health resorts are booked in advance starting from fall.

Whenever you choose to visit Borovoe, you are guaranteed to bring back memories that will remain with you for your entire life. The resort is one of those places where you want to come back to over and over again. **F**

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COLORFUL CHARYN

A canyon near Almaty competes with the American Grand Canyon.

TEXT BY NIKOLAY BARTENEV

SHUTTERSTOCK: BIRSOLO KZ



One of the most famous jewels of the Kazakh natural world is Charyn. The canyon is situated 200 km east of Almaty, and is 5km long with 100–300 m high walls, chiseled from sedimentary rocks over 100 million years ago. It looms over its namesake river, which is assigned the sixth (and highest) complexity grade, it is dangerous both to swim and raft there. This canyon is widely known as Valley of Castles or Red Charyn.

However, this is not the only canyon in the flood-plain—it's possible to see at least five more.

If one goes straight down the Kulzhinskaya highway and passes by the Valley of Castles towards Kegen, then crosses over a small mountain pass, he will arrive in Zhalanashskaya Valley. A road to the right runs to the Kolsay Lakes, and shortly afterwards you will see Black Charyn—a deep, dark mountain split by a babbling river and which seems absolutely harmless when seen from these heights.

If you turn left, you will see a chain of canyons outside Aksay village.

The Grand Canyon is not all that “grand,” as it is not very high, but it is outstandingly nice looking thanks to colorfulness of stones and plants.

Further along the path you will find an absolute terra incognita—Moonscape. It is hard to believe that there are people living somewhere nearby.

Adjacent to it lays Moon Valley, or, as it is sometimes called, Yellow Charyn. It's a beloved site for filmmakers, and more than one film was shot in this uncanny valley. To be honest, reaching the river is not at all easy, the terrain is really rough here.

Temirlik Canyon, where the Charyn River meets its tributary, closes our canyon tour.

All these extra-terrestrial and dramatic names, as well as the folktales you will hear during the tour, were made up by Soviet tour guides to attract tourists.

It is commonly said that there was no sex in the USSR, but marketing has always been there. 

Moon Valley, or, as it is sometimes called, Yellow Charyn is a beloved site for filmmakers, and more than one film was shot in this uncanny valley.

Living water

How mineral water discovered in southern Kazakhstan turned out to be a tragedy at first, but a source of health later.

TEXT BY YASMIN KARIMOVA



FOUNTAIN OF LIFE

After World War II, the Soviet Union, a shell-shocked titan, had to rise from its own ruins. It demanded almost the impossible from its people: to rebuild the destroyed economy in the shortest possible period of time, and it had no mercy for errors. Geologists searching for new oilfields in South Kazakhstan experienced this firsthand. In a place called Saryagash, they drilled a well. To their horror, instead of oil, water erupted from the surface, and it was not long before misfortune followed. The whole geological party was sentenced to 10 years' imprisonment for sabotage.

But the water, like a living creature, did not let anyone forget about it. Locals believed that the discovery of the spring was the fulfillment of an ancient prophecy. According to legend, in XVII in Samarkand (Uzbekistan) there lived a traditional healer, Issa-ata, who preached

Islam. Elders from Saryagash went to visit him, firmly set on convincing Issa-ata to come to Saryagash.

Once Issa-ata stepped onto Saryagash land, he ordered the locals to keep this place clean, as eventually a healing spring would appear. But people were very doubtful, as the area was suffering from drought. One day they planted a tree there, and it grew large and spread its branches wide, but due to the lack of water all its leaves were yellow. That is why the place is called Saryagash, or "yellow tree." Lo and behold, three centuries later the prophecy came true!

Probably it was this folktale that led scientists to conduct research on the water, but no one knows for certain. We know for sure that based on its composition and therapeutic benefits, Saryagash mineral water can compete with such widely recognized mineral waters as Truskavets, Borjomi, Essentuki and Zheleznovodsk. Saryagash

water addresses health problems such as gastrointestinal and urogenital systems disorders, metabolic diseases, osteochondrosis and skin conditions, among others.

Let nothing be wasted, decided the Soviet government, and in 1955 the first Saryagash spa center (called Profsoyuznyi) opened. The construction of a resort for the working class was taken seriously. First of all, the local climate was taken into consideration: in summer it is hot here. Thus, hundreds of trees were planted in parks and public gardens. They still share their shades with us on steaming hot days. Since they did not turn yellow, the place could be renamed “zhasylagash,” or “green tree.” But traditions are strong here, so the original name has stayed.

The elderly Kopzhasar Berdalyuly, a caretaker of Issa-ata’s mausoleum, welcomes visitors in the traditional manner. He first asks whether they have carefully read the rules for how to behave in this holy place. For those who were not attentive enough to read the sign detailing this information, Kopzhasar-ata patiently explains: “One must come here not only with pure thoughts, but with a clean body also. Before approaching the mausoleum, you must enter a small house, pray, taste the bread you find on the dastarkhan (the Kazakh national table on short legs), and only after that walk the path to the mausoleum. Once you reach it, go to the benches. Pray there once again, and only then go to the stones, which Issa-ata declared have health-giving powers. Before you walk through the gap between the two healing rocks, you need to make your innermost wish and ask God with all your heart to make this wish come true. Once you walk through the gap thrice, go down by the path to come back.”

Kopzhasar-ata says that this place is still visited by people with all types of problems: “The miraculous power hidden in these rocks helps infertile women and those whose children died at a young age. God gave them strong offspring. Children with umbilical or inguinal hernias were healed after passing through this split between the rocks three times. People suffering from curses, who had lost any hope for happiness, came here with pure thoughts and hopes for a cure. Carrying great faith in their souls and having prayed to God, people who came to Issa-ata and walked through the gap thrice got well. We witness such miraculous cures still. The key point is not to lose faith in your soul.”

A NEW LEASE ON LIFE

It is up to individual choice whether to believe in the healing stones or not, but the curative properties of Saryagash’s water are a fact proven long ago by Soviet scientists. After the collapse of the USSR, the place experienced a revival, and new spas opened, including Aray Deluxe, Zhetysu, Aysha Bibi, Bereke-7, Zhansaya, Kokterek, Kazakhstan KZ, Saya and Salma Caravan. Currently there are 23 operating spa centers within the resort area.

Each of them offers a wide range of services. Highly-qualified doctors, including therapists, gastroenterologists, urologists, gynecologists and ophthalmologists, work in these spas.

The spa centers can be divided by categories. Some centers are ready to provide economy rooms, whereas others offer various rooms, from semi-luxes to royal suites. Prices per night per room vary from KZT 5,000 to KZT 190,000 (USD 1 = app. KZT 330). Prices cover meals and treatments. There are lots of additional services,





It is up to individual choice whether to believe in the healing stones or not, but the curative properties of Saryagash’s water are a fact proven long ago by Soviet scientists.

which can be purchased for additional fees. For instance, mesotherapy costs KZT 5,000, and a full body massage is KZT 1,000.

In the very center of the resort area stands a well room, which is directly connected to the spring, where you can drink mineral water at three “temperature modes”—22°C, 38°C and 42°C. Centuries-long experience with mineral water treatment shows that its impact on the human body is most effective at the spring, where the water retains its natural composition and quality.

When it comes to the climate, the Saryagash summer is sweltering and long-lasting. Winter is mild and short, with frequent thaws. The best time to relax at the Saryagash spas is in the autumn (October and November) and from late spring to early summer (May and

June), as later it becomes too hot. If necessary, one can always turn on the air conditioning to comfortably make it through the summer heat.

If you prefer to stay at a spa center when it is quieter and less crowded, it is best to come in winter. Additionally, this season is known for its attractive discounts.

To reach this health resource, take a taxi from the town of Saryagash. One can get to Saryagash from Shymkent, after taking the 130-kilometer long journey by bus or shared taxi van. A flight or a train ride from Almaty (the former capital of Kazakhstan) or Astana (the current capital) will bring you to Shymkent.

Due to its proximity to Uzbekistan, spa centers arrange tours for their guests to Tashkent, the capital of Uzbekistan, and the ancient Uzbek cities of Bukhara and Samarkand. Tashkent is only 15 km away from the resort.

A tourist can also take a trip to one of the earliest Kazakhstani cities, Turkestan, and to the mausoleum of Arystan Bab, known as a spiritual mentor of the great Sufi Khawaja Ahmed Yasawi.

One more tip for curious travelers: take a tour to the Saryagash water filling plant Assem-Ai. The plant utilizes the wells drilled by those imprisoned Soviet geologists. After de-Stalinization, the whole geological party was rehabilitated. **F**



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Grabbing health by the horns

How people seek maral velvet antlers cures in East Kazakhstan.

TEXT BY NATALYA BOROVA
PHOTO BY ANATOLY USTINENKO

The natural world of Kazakhstan's Altai (in eastern Kazakhstan) is amazing: a varied mix of cedar woods; numerous rivers; waterfalls and mountain lakes; meadows full of wild herbs where most of the flora is curative and native to the area. What else are the Altai wilds praised for? Obviously, for maral farms! In this special climate zone, especially in the Katon-Karagay district, maral (or Caspian red deer) breeding is popular.

In ancient times it was believed that blood from maral velvet antlers (early maral horns, which are cut each year) helped restore people's abilities, protect health and ensure longevity. The health resorts and recreation facilities in the East Kazakhstan Region offer treatments using velvet antler products based on this belief.

The composition of maral velvet antlers is very rich, and they contain many ostensibly healing elements, like collagen, vitamins, macro-elements (such as ferrum, calcium, magnesium, sodium, phosphorus and potassium) and micro-elements (like manganese, selenium, cobalt, cuprum and zinc). Altai maral velvet antlers contain 18 of the 22 amino acids which naturally occur.







The basis for all velvet antler treatment practices is the antler bath, a bath using the dried blood of young antlers.

The basis for all velvet antler treatment practices is the antler bath, a bath using the dried blood of young antlers. Velvet antler treatment also includes physiotherapy using antler blood, antler barrel, phyto barrel, velvet antler bar, phyto bar, antler body wraps and dietary supplements using the antlers.

All these services are offered to tourists by the maral farms of East Kazakhstan, located 200-300 km away from the regional center of Ust-Kamenogorsk. Among the best-known resorts are Bayan, Zhanat, Nur-Bulak, Maralenok and Belovodie.

“We do not compete with each other, on the contrary, we help with tourist occupancy,” said Dariga Issabayeva, the general manager at the Bayan velvet antler treatment complex. “I was born and raised in Katon, and use my best efforts to contribute to the development of this area. That is why I badly want all the treatment centers to be fully occupied. Actually, maral farms are developing thanks to tourism. Our maral breeding farm has existed for 20 years already, and it serves as a base for the Bayan factory, producing certified products utilizing pantocrine. More recent Bayan recreational complexes were opened in Ust-Kamenogorsk, Astana, Aktau and Aktobe. We are planning to open several more in Almaty and Shymkent. Besides traditional treatments, we offer exclusive ones, which others do not provide—velvet antler footbaths for arthritis; an antler heat treatment to remove toxins and wastes, helping with loss of excess weight; phyto and antler oil massages; and antler masks and body peeling.”

During the time when velvet antlers are cut, tourists can stay in the wild at the Bayan treatment center, and

get all the procedures there. This season is short, around one and a half months—from early June until mid-July.

The main premises of the Bayan center are situated 12 km from Katon-Karagay village, where stand-alone wooden cabins offer amenities and marals graze at the foot of a mountain nearby. The second location, a comfortable two-story residence in the center of Katon village, also serves as a hotel.

In other seasons, one can utilize the benefits of concentrated velvet antler products at recreational complexes in Ust-Kamenogorsk.

“For those who attach great importance to comfort and for whom concentrated products will suffice, we offer the services of the Rakhmanovskie Klyuchi health resort,” said Valeriya Topolnyak, the general manager of a major travel firm in Ust-Kamenogorsk. “There are cozy cottages, treatment

units equipped with the most modern medical devices, and taiga outside the window. It stands on the territory of a botanical and mineralogical natural reserve and Katon-Karagay National Park.”

Before booking a visit to a velvet antler treatment center, consult your doctor. It should not be forgotten that Katon-Karagay is a high-pressure area, and that after antler baths the heartbeat quickens. There are a number of other health risks.

You should also take into account that all the health resorts and velvet antler treatment centers in the Katon-Karagay district fall along the border between Kazakhstan and Russia. This is why for all Kazakhstan citizens visiting these resorts without a trip voucher, and for those coming from abroad, special passes must be drawn up. The cost of the pass depends on the time of application. 



Close to nature

An all-season middleclass resort will be built near Astana.

TEXT BY MERUERT SHAKENOVA

By 2021 on the shores of Big Chebachie lake, located 300 km from Astana (the capital of Kazakhstan), there will be a new resort named AkBura ("White Camel" in Kazakh). Up to 360,000 people will be able to relax on its 233 ha area, and this unprecedented project will be executed with support from the state.

Forbes Kazakhstan spoke with the CEO of Burabay Damu LLP, Galymzhan Abdykalikov, about what will attract tourists and investors to this planned recreational zone.

The innovative resort will be established using joint financing from the government and private businesses. Burabay Damu, the project's main developer, is subor-

dinate to the Department of Presidential Affairs of the Republic of Kazakhstan. The main mission is to develop the recreational potential of the Shchuchinsk-Borovoy resort area. Designing the strategic program was entrusted to THR, an internationally-recognized tourist consulting company from Spain.

"They created a project which includes a vision of the resort, a development plan, a business model, a master plan, marketing analysis and, accordingly, a complete package of offers for potential investors. Marketing research was conducted for half a year. Having analyzed the current setup, we realized that our market lacks services for middle-class customers. There are great offers



in the luxury sector, and lots in low-cost, but there is no decent medium-level service at an affordable price," said Abdykalikov.

Entertainment facilities and hotels will be built at the expense of private investors, and the rest will be funded by the state. A mini-town close to the shores of Chebachie will deliver all types of recreation and diversions. Three hotels—based on sports, family and wellness and a spa—will be opened there. As envisioned by its designers, AkBura will host guests all year round. Tourists who plan to spend several nights, as well as one-day visitors, will be able to stay there. The service will be at a four-star level.

"To discuss the particular elements: we intend to have family and sports hotels, a waterpark, an adventure park, a development center with various courses and an indoor skiing arena. Also, there will be indoor and outdoor sports centers with all kinds of sporting pastimes, as well as a resort center for visitors to take walks and enjoy refreshing drinks. During the design of the master plan, it was essential to keep the surrounding nature inviolable. All the construction will be carried out in open spaces and not a single tree will be cut down. Only 20% of all 233 ha will be built up. The rest will remain untouched, and people will have a chance to enjoy nature there," Abdykalikov said.



"During the design of the master plan, it was essential to keep the surrounding nature inviolable. All the construction will be carried out in open spaces and not a single tree will be cut down. Only 20% of all 233 ha will be built up".

The state, represented by Burabay Damu LLP, committed to providing the necessary infrastructure. This includes electricity and a water supply, sewage systems, telephone lines and roads, as well as intra-resort improvements like bicycle lanes and sidewalks.

"Burabay Damu will maintain and service the whole area—keeping it clean, refining one piece of land or another. Additionally, it will shape an umbrella brand. It means that a single marketing policy for the promotion of this resort destination will be pursued," added Abdykalikov.

As a result, an investor who wants to build a facility—whether it is a hotel, a ski lodge or a different kind of sports or entertainment center—will get a spot on already developed land. The area, which will be allocated for development according to the governmental decree on investment preferences, will be transferred to the private investor at no cost, in the form of a land grant.

According to Abdykalikov, AkBura will be economically attractive for investors. "We furnish a businessman with a complete set of documents. Obviously, an investor will require due diligence, and will make his own calculations and re-check ours, but he will get a basic understanding of the figures. We see our project as one-of-a-kind, because earlier, for example, the state was involved only in the provision of engineering infrastructure, whereas in our case we took it a step further: investors will receive spots in an already-developed resort area. It means that an investor comes to a ready-for-use piece of land with a title to it."

Construction of the resort will begin this year. Two years will be devoted to completing the engineering infrastructure. Improvements will be carried out in 2020 and, if everything runs as scheduled, the first AkBura resort facilities will open their doors in 2021. **F**

m² REAL ESTATE GEARS UP TO OPEN NEW HOTELS IN GEORGIA



უძრავი ქონება
REAL ESTATE



Georgia's biggest real estate developer - m² Real Estate – has made its first move in the hospitality industry. The company has a strategy of owning and operating more than 1,000 hotel rooms across Georgia within next 3 years. Its first hotel opened its doors on February 27. The hotel is operated under Ramada Encore brand of Wyndham Hotel Group.

The hotel offers 152 bright and comfortable guest rooms in a vibrant downtown location with well-equipped meeting space, fitness center, the unique Georgian craft beer restaurant Black Lion Hub and most importantly, international service standards and flexible pricing.

Ramada Encore is a member of Wyndham Hotel Group, the largest hotel group worldwide with 21 brands and 9,100 hotels in over 80 countries. Ramada itself was named to be the fastest growing brand in 2017.

m² Real Estate is currently building another hotel under the Ramada brand, in the elite part of central Tbilisi, on Melikishvili Street. The building will combine architectural styles of 1930s and 21st century, and will house a 125-room hotel.

Another upcoming project under construction is a premium-class boutique hotel in Tbilisi, which will stand out with its stunning views and an interior. The hotel will open in 2019 in the historic district of Mtatsminda with breath-taking views of old city. It will add another 100 rooms to the company's portfolio, and hospitality landmark to the capital city's hotel sector.

Based on the current tourist traffic trends, visitors mostly seek for comfortable and affordable accommodation. The country, which has seen a 28% increase in tourism sector, needs accommodation with international service standards to be available in all regions. m² Real Estate has already announced plans to create a portfolio of more than 1,000 hotel rooms in various parts of Georgia over the next 3 years. Not only will this provide economic sustainability and job opportunities for the regions but will also enhance the service standards and tourism image in Georgia and increase visitor spending. m² Real Estate expects to enjoy the economic benefits of being one of the first movers in the regions. m² Real Estate

Development of its ski resorts is one of the top priorities for m² Real Estate. To this end, m² Real Estate has bought and is completing a 134-room, 4-star hotel in Gudauri, which will make Georgia's premier winter resort even more attractive for domestic and international visitors through its spa, entertainment and conference facilities, as well as restaurants, bars and night clubs. The hotel will open its doors to guests in December 2018, in time for the start of the winter season. It will offer clients a comfortable environment and top-quality service.

m² Real Estate has currently filed for and is expecting construction permit to build 125-room hotel in Kutaisi in the most prestigious neighborhood of Georgia's second-largest city. The



hotel will aim to cater the needs of the growing international and local demand, and establish itself as a hub for both, leisure and business travellers.

Kakheti wine making region is clearly among m² Real Estate's top priorities. The region's microclimate, natural recreational resources, famous wineries, cultural/historical heritage and geographic location provide great opportunities for the development of the hotels and service industry. A 130-room, 4-star hotel in Telavi - the heart of Kakheti - is due to open in 2020. It will enable the company to support the development of wine tourism in Telavi and offer special adventures to tourists who are interested in Georgian wine and cuisine.

m² Real Estate has also acquired property in the heart of famous Mukuzani wine making appellation and plans to build a luxury resort focused on unique gastronomic experience offered by Georgian cuisine and 8,000 year old wine making methods practiced in Georgia

Overall, m² Real Estate plans to invest more than \$150 million in hotels and hospitality sector in next 3 years and open and operate more than 1,000 hotel rooms.

HUNTING

SUPERTOUR

Kazakhstan's Big Five Game

In Kazakhstan, you can set a personal record by bagging a Caspian red deer, an elk, a bear, a roe deer and an ibex, all in one superb hunting trip.

TEXT: NATALIA BOROVAYA, MAXIM LEVITIN
PHOTO: MAXIM LEVITIN





Kazakhstan has a diverse array of animal species, but only five of them are of interest to trophy hunters. Caspian red deer, Alpine ibex and roe deer are on the top of the list, with bear and elk coming in second. The most popular hunting grounds are located in the Almaty and East Kazakhstan Regions.

Trophy hunting in Kazakhstan means heading to distant wild areas, which has both good and bad aspects. The good include: the experience of hunting in a real wilderness, in unspoiled nature, with no active pastures in sight. The complicated travel logistics and the lack of normal comforts are the downside. However, trophy hunters are a sportsmanlike crowd and do not mind living in tents or yurts with minimal comfort. To them, game is what matters most.

There are over 600 hunting ranches in Kazakhstan, and 15 of them cater to foreign tourists who come to Kazakhstan for trophy hunting.

Demand for hunting depends on a multitude of factors. The decisive ones are game population, average trophy size, the condition of the hunting grounds and the logistics of hunting. These factors also determine the price tag for what is usually an eight- to ten-day tour package.

The Caspian red deer tours are concentrated in the East Kazakhstan and Almaty Regions. The West Altai





regions of East Kazakhstan have large red deer populations, but the game size rarely exceeds 10 kilograms. The average price of a tour is 2,000 euros. Further south, in Saur, red deer live in more mountainous areas. The trophies from this region are known to exceed 20 kilograms, which is why the price tag rises to 6,000-8,000 euros.

Saur, especially the Zaysan hunting ranch, is a great place for red deer hunting, but you will have much less luck with bear, doe or elk. In a rare occurrence in 2015, the Black Uba game ranch recorded a bear trophy that measured 2.45 meters from head to tail.

The price range for an ibex deer hunting tour is within 4,000-5,000 euros. Ibex deer hunting is among the country's most popular adventures, since the South Kazakhstani population of ibex deer is among the largest in the world. An ibex deer can weigh up to 120 kilograms,

with the horn length reaching 150 centimeters across. A Siberian ibex is among the most coveted trophies for mountain hunting lovers. Ibex hunting is a 'specialty' adventure in Almaty and South Kazakhstan.

Mountain hunters usually see roe deer as second-tier game, but in North Kazakhstan a group of hunters can get several deer each during one hunting trip. The trophies are better and the population is denser in the lowland areas to the north. The hunting ranches in Kostanay, Kokshetau and Pavlodar organize roe deer tours for 1,200-2,000 euros.

These combined package tours are popular all over the world. The Ibex and red deer tour is a prime example of a hunting tour that may get you great trophies. An ibex, red deer and roe deer tour is an even more popular (and more expensive) option, but again, much depends on how big the trophies are.

Several years ago, ranchers in Kazakhstan had the idea of creating a unique hunting package for Kazakhstan's big five game. This super tour combines ibex hunting in the Almaty region (as the ibex is a protected species in East Kazakhstan) with an extended hunting trip to the Altai Mountains, in East Kazakhstan, for four other types of game.

Kazakhstan's section of the Altai Mountains runs along the border with Russia, China and Mongolia. It also has a zoogeographical border, where the Siberian taiga meets

There are over 600 hunting ranches in Kazakhstan, and 15 of them cater to foreign tourists who come to Kazakhstan for trophy hunting.



REGULATIONS FOR FOREIGNERS PLANNING A HUNTING TOUR TO KAZAKHSTAN

Foreigners should acquire the right to hunt in the Republic of Kazakhstan based on an agreement with a registered hunting ranch, and subject to a hunting license and a hunting weapons permit issued by the Ministry of the Interior.

A permit to take hunting weapons in and out of the country is obtained by a registered hunting ranch, based on information about the weapon and ammunition provided by the hunter. Atrophy's removal from the country is contingent upon an agreement between the hunter and the hunting ranch and a permit issued by the authorities.

the great mountain belts of Central Asia. Here the ibex deer lives alongside the elk, the brown bear beside the Himalayan snowcock, and roe deer, red deer and wild boars share territory with musk deer and wolverines. Biodiversity in itself does not guarantee trophy-hunting success, but the combined package can provide great results.

The West Altai taiga is home to the country's largest species of roe deer, bears and elk. You can get sizeable roe trophies in this area, with antlers measuring up to 1,400 grams. The local bear is smaller than in East Siberia, but it is not unusual to get a trophy with a length of 2.5 meters. Elk here are not as big as they are in Kamchatka, but they have spade-like antlers that are much more impressive than those of European trophies. There is a nice range of game, including well-sized roe deer, bears and elk, plus medium-sized red deer. All of this, available in some of the most beautiful hunting locations in the world. Should you want to hunt a red deer with bigger horns, you can travel further south to the Zaysan hunting ranch.

Does the combined five-game package entail a more valuable trophy nomination than five separate trips for red deer, elk, bear, ibex and roe deer? Most outfitters believe it does. This is a very prestigious trophy set to have. The only problem: as of now, nobody has managed to claim all five trophies! Kazakhstan's big five game proves to be a challenge for foreigners and local hunters alike. The hunter who collects the full set first will make history. 



HUNTING

FALCONS



Royal Hunt

What it takes to hunt with falcons in South Kazakhstan.

TEXT BY YASMIN KARIMOVA

Do you want to go falcon hunting? In this case, welcome to South Kazakhstan. Truth be told, the key thing to remember: bring your bird.

EXCLUSIVE AMUSEMENT

In autumn, one can witness a real pilgrimage of Arab sheikhs to the vastness of southern Kazakhstan. They head there to hunt for IUCN Red List houbara bustards. They bring their own falcons, which are future trophies, as well as hunting partners.

Such a service—the chance to prey on houbaras—has been offered in Kazakhstan for over 18 years. In 2000, the government approved rules for hunting houbara bustards. According to these rules, permission to hunt

them is given to individuals, including foreigners, who make a contribution to the protection and reproduction of the endangered species.

Arabs, who put money into houbara bustard research (UAE President Khalifa bin Zayed Al Nahyan founded the International Fund for Houbara Conservation), make use of these rules. In 2008, they financed the construction of a nursery for breeding wild houbaras within southern Kazakhstan, and in 2014 brought 2,000 houbaras to Kazakhstan and released them into the wild.

Sheikhs continue hunt in Kazakhstan. In 2017, personal licenses for 181 houbara bustards were given to four Arab sheikhs. One of them was allowed to hunt in South Kazakhstan, while the others will explore

different areas of Kazakhstan.

Bakhyt Mussaliyev, the head of the wildlife and hunting sector of the regional forestry and wildlife department, said that this way of hunting raises substantial budget revenues (KZT 197,629,900 in 2017), and additionally supports the houbara bustards' population in South Kazakhstan. "Before hunting houbaras, sheikhs bring them here and release into the wild. They bring, for example, 2,000 birds, but catch only the number they are allowed to, not more. After all, some of those 2,000 birds will breed. In this way they aid us by increasing the number of these birds on our land."

For Arabs, hunting houbaras is a tradition. Catching a houbara with the help of a falcon is considered the most difficult part of this tradition. Arab visitors bring around a hundred of birds of prey with them, and for 10 days the falcons adapt to their new conditions in quarantine while the birds' veterinarians take care of them. Special staff members also travel to Kazakhstan along with the falcons and veterinarians to prepare for the arrival of the guests. After that, the hunters themselves arrive and the royal hunting begins. It can last from one week up to a month.

ALL THAT IS MINE I CARRY WITH ME

And what about other foreigners, may they go falcon hunting in southern Kazakhstan? Yes they may, and they must also bring their own birds with them. The conditions for such hunting trips are stated in the Convention on International Trade in Endangered Species (CITES), an international governmental agreement signed in Washington in 1973 as part of the International Union for the Conservation of Nature (IUCN) resolutions. Kazakhstan joined this convention in April 1999.

"That means foreigners, when bringing in or taking out of our country any animal or bird specified in the appendices to the convention, must obtain the relevant permission from the CITES administrative office in Kazakhstan: the Committee of Forestry and Fauna of the Ministry of Agriculture of the Republic of Kazakhstan," said Yuriy Bokov, the game manager at the South Kazakhstan office of the Kansonar Association. "In the application for obtaining this permission, one should describe the bird, which must be brought in, as well



as its weight, in details. And if permission is granted, foreign citizens may bring their falcons. Each bird is examined by a veterinary service, the regional inspection board and customs control. This is practiced so that an owner cannot replace the bird which he brought in. For instance, a person comes with an old falcon, catches a young one, and wants to leave with the young bird."

There is one more requirement: to hunt using falcons, foreigners must enter into an agreement with the hunting establishment.

"A game keeper, by requirement, participates in all hunting by foreign guests. There is no difficulty in taking trophies out of the country, as we are talking about falconry, which involves small game or birds. A foreigner receives a description certificate, which lists what he caught and how much," said Mussaliyev.

What if a foreigner arrives to South Kazakhstan without a bird? "In this case he will not be able to hunt with a falcon legally," said Bokov. "A falcon can be bought only in a nursery. But the prices go up to USD 3,000. Keeping falcons at home, in a backyard, is forbidden. That is why arranging a hunt with local falcons is, putting it mildly, not easy."

The best season for falconry is sonar, as it is traditionally called by Kazakhs. Sonar is the very first snow, touched neither by animals nor by birds. Experienced hunters say that the falcon is a bird with a very complicated temper, which can bravely push back against anyone. For this reason, hunting with the help of the first bird available is a dangerous idea, as a falcon trusts only its handler. This may be the reason why falconry using someone else's bird has not evolved in Kazakhstan. **F**



WHERE HOSPITALITY
MEETS THE NATURE

WHERE HOSPITALITY MEETS THE NATURE

Borjomi is a famous resort town that gained its reputation from the mineral springs that flow through it. Curative powers of these springs have made Borjomi the top destination for spa lovers. Crowne Plaza's Spa & Wellness Centre offers comfort, luxury, and cozy atmosphere. Here, professionals lead revitalization programs that have lasting effects on the body. Forbes Georgia spoke to the General Manager of Crowne Plaza Borjomi, Andrey Vlasov, to find out more about the company's success on the Georgian market and its future plans.

by Elene Kvanchilashvili

“We speak your language!” is a slogan we came across very often on your hotel’s website. What is the main message you convey with this slogan?

Actually, this is not our primary slogan — it’s just a common expression for online booking channels.

Our local slogan is “Where Hospitality Meets the Nature,” which underlines our unique location in Borjomi, with its unbelievably beautiful nature, and our focus on the satisfaction of our guests, so that they gain positive memories of their stays.

Our brand’s global slogan is “Great Hotels Guests Love.” It is a guide to our approach to business: take guests by surprise and go beyond their expectations so they stay loyal and recommend us to others.

Why Georgia and why Borjomi, specifically?

Borjomi is unique historic resort in South-Central Georgia famous for its mineral water springs, warm climate and forests. All of this made Borjomi a favorite summer destination for the 18th-century Russian and Georgian aristocracy and gave it the nickname “the Pearl of the Caucasus.”

Hotel development, as well as the construction of private summer residences and parks, began in Borjomi in the 1900s. Later, the post-Soviet political and economic crisis stopped development in the area, but Borjomi remained a popular destination for local tourism. In the 2000s, the growth of private investment in tourism and municipal infrastructure helped Borjomi recover from a decade of decay.

In 2013, after several years of construction, Crowne Plaza Borjomi by InterContinental Hotels Group opened its doors, becoming the first international hotel in the region. Crowne Plaza Borjomi has 101 rooms of eight different categories, three restaurants, a 2,500 sq. m. Spa, several conference facilities, Yoga Room, Kids Club, and many more amenities.

Borjomi is a famous spa and resort town — what does it mean to be part of the hospitality business in such an environment?

Managing a hospitality business in a resort town is a big advantage. Such an environment allows us to offer a variety of activities and ensure our guests take long-term positive memories with them. A large portion of our guests are families coming for long stays, to whom we offer full-service packages. We are always happy to see our guests coming back — this is our prize for hard work. That is what our global slogan, “Great Hotels Guests Love,” is all about.

Crowne Plaza is also famous for its Spa Center. Can you tell us more about these facilities?

Our Spa and Wellness Center is about 2,500 square meters and offers more than 100 different treatments, divided into several zones. All facilities in the Thermal Zone are included in the room rate — an indoor pool, four different types of saunas, a cold room and a relaxation zone, where guests may enjoy a calm rest on water mattresses. Special procedures and massages are available for an additional price, with a vast variety of aroma and body restoration therapies to choose from. We also offer Spa Apartments, where guests can enjoy these body treatments in complete privacy.

In addition to body procedures, guests are able to choose from a number of skincare and other aesthetic regimens that involve the use of high-tech equipment and quality beauty products.

We also must not forget our signature Borjomi mineral water facilities and treatments that our Spa is famous for. Such treatments include hydro baths and colon hydrotherapy.

Another distinguishing detail of the Crowne Plaza Borjomi is the Yoga Room, where guests are offered free morning yoga sessions led by an Indian instructor. Private yoga sessions are also available at any time.

The list of services offered in our Spa is quite long, and I could talk non-stop about them. Certainly, Spa is a major highlight of the Crowne Plaza Borjomi.

Borjomi is famous for its mineral waters. Do you view it as an added attraction for your guests?

Absolutely! We have natural Borjomi mineral water springs in our yard, which are accessible to each guest for free. They can also have consultations with our doctors, who can recommend water intake regimens to maximize the effectiveness of Borjomi water's healing abilities.

The Borjomi hot sulfur baths in the middle of the woods are another benefit our guests love. These baths have various positive effects and help treat medical disorders. To get to them



from the hotel, one crosses through the Borjomi Park on hiking trails, which is another must-see. Access to the park and sulfur baths is free for our guests.

Let's sum up the tourism potential of Borjomi: how does your business relate to this location; how do Borjomi and Crowne Plaza benefit from each other; and how do guests of Crowne Plaza benefit from both?

In Georgia, the tourism index increases exponentially every year. Naturally, this affects every region of the country, Borjomi in particular, as it remains one of the most popular destinations in Georgia. As a result, we welcome more guests to the Crowne Plaza, and in return, IHG helps us build awareness of the region. We continue to enrich the variety of our services based on our location and focus on delivering superior experiences to our guests.

Is it important to you how guests assess the hotel's services? How do you use survey results, and how does their analysis help you in your future work?

Surveys and feedback are extremely valuable for our business. We analyze and update our services according to guest suggestions and recommendations on a daily basis. Most of our guests provide their feedback via online booking channels. For IHG Rewards Club members, we offer a separate platform where guests may leave their feedback and rank our property. I am proud to say that among the 88 IHG properties across Great Britain and Europe, Crowne Plaza Borjomi is always ranked number one, based on overall guest satisfaction.

Plans and predictions for the future?

We will continue to invest in the region, and soon will be launching new hotel development projects in Borjomi, as well as in other regions of Georgia.

Doing Tourism Business

With 3.5 million tourists in 2017, 2018 looks set to be another outstanding year, with tourist arrivals predicted to reach a new record of around 4.2 million—more than Georgia's local population.

AUTHOR: ELENE KVACHILASHVILI

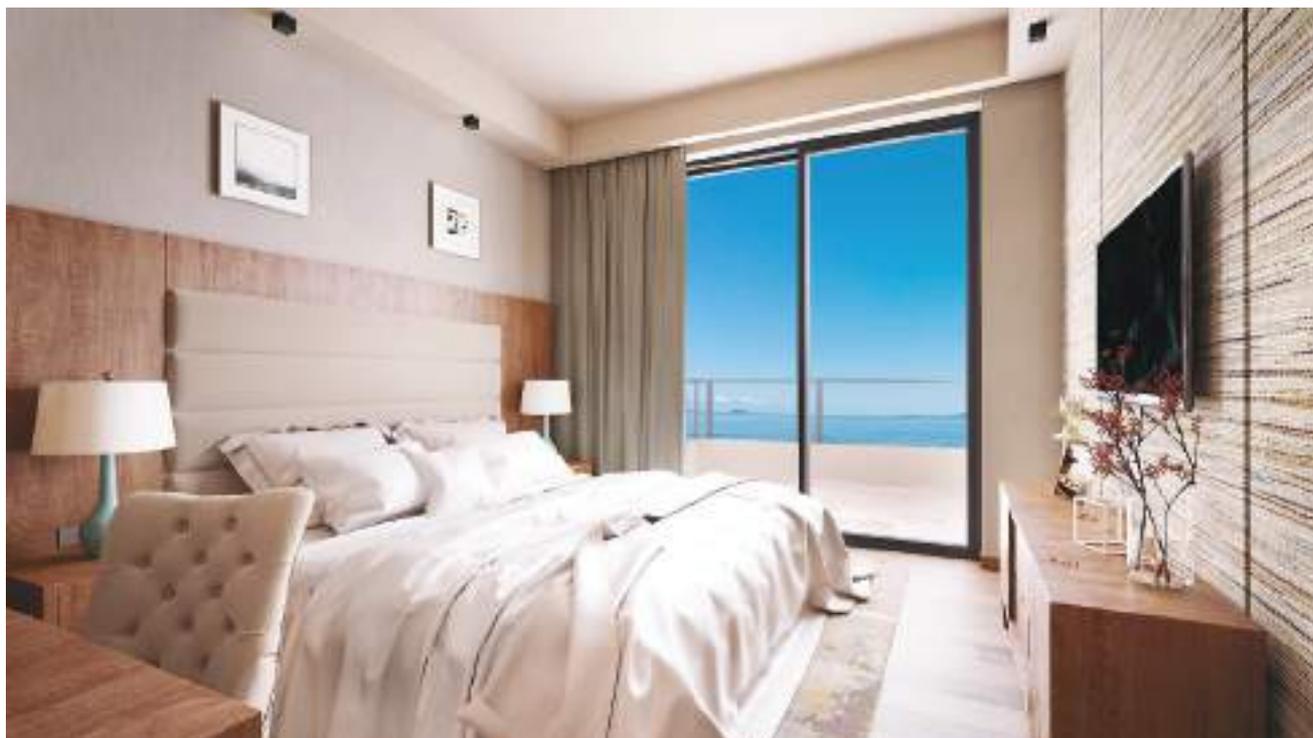
The world has already rediscovered Georgia as a tourist destination. National Geographic recently included Tbilisi in its top 10 destinations for 2018, and the Lonely Planet travel guide also named Georgia one of its top 10 places to visit this year.

Tourist numbers are already close to the country's population of 3.7 million, a recent study from Galt and Taggart found. The total number of international visitors (tourists, transit and one-day arrivals combined) increased at a CAGR of 21.7% from 2008-2017.

Corresponding with global trends, tourism has flourished in Georgia over the last decade. Tourism revenue had an impressive CAGR of 22.4% in from 2008-2017, and reached a record high of US \$2.8 billion in 2017, which is an increase of 27.0% over the previous year. As a result, tourism revenue's share of the GDP increased by more than five times during this period, from 3.5% to 18.1%. Tourism exports rose to 35.9% of the total goods and services exported in 2017, from 12.1% in 2008.







The accommodation sector expanded consistently over the last five years. The 19.0% CAGR for hotel rooms from 2012-2017 conforms to the level of Georgia's visitor growth. Over 3,000 additional rooms (+13.3% growth) were added to the accommodation stock in 2017, and the total number of hotel rooms is expected to reach 40,000 by the end of 2019, a large increase from the current total of 28,000 rooms. According to Galt and Taggart, domestic tourism is also driving demand for accommodation.

Hotel and restaurant turnover increased at a strong CAGR of 26.5% from 2008-2017, reaching 1.4 billion GEL in 2017. The sector is one of the largest employers in the Georgian economy. Value from tourism-related services accounted for 6.9% of the GDP in 2017.

Tbilisi was the most active spot for hotel investment in recent years. According to Galt and Taggart, as of 2017, Georgia had more than 1,963 registered accommodation units, with 27,907 rooms and 67,660 beds. The capital boasts the largest number of hotel rooms (28.9% of the total), with Adjara (19.7%) and Samtskhe-Javakheti (13.0%) as other hotbeds of hotel development. However, investor interest appears to be shifting towards other regions of Georgia, as the growth in room supply from 2018-2020 is expected to be evenly distributed between Tbilisi and regional destinations.

A good example of this is Dreamland Oasis in Chakvi, Adjara. What used to be 10 hectares of swamp in

Chakvi is now a premium-category complex. The price for each square meter of this land now exceeds \$2,000. Over \$40 million has already been invested in the project. This year, developers will spend approximately \$30 million, and by 2023, total investment will reach \$94 million. High competition in the accommodation sector has led to a project with a distinctive concept, focusing on the value of aesthetics. This means that a well-planned environment, efficient infrastructure and distinctive aromas and lighting improve the emotional state of customers, promoting positive feelings and inspiring a strong motivation to return.

The whole idea is to create an environment where people are filled with new emotions on a daily basis. Take, for example, the fact that there are about 18 outlets on the Dreamland Oasis premises, and their number is still increasing. There is a half-kilometer boulevard with various infrastructure for relaxation, and this is designed to make sure that visitors who escape their urban surroundings and come here to rest will not find themselves back in the same hectic environment they just left.

The complex is in the premium category, so all customers of Dreamland Oasis are wealthy. The resort is popular not only with Georgians, but also Ukrainians, Russians, Kazakhs and others from post-Soviet countries. "They love our country and we try to offer them adequate services," said Nikoloz (Koka) Geguchadze, the General Manager of the project, adding that among the guests there is a grow-

ing number of visitors from Eastern Europe.

Geguchadze says he sees tourism-sector trends reflected in Dreamland's business: "Initially, we had 200 hotel rooms, and then we added apartments. The occupancy rate of the hotel is steadily following our development. In the third year of the project, we plan to add another hotel with 200 rooms," he said.

The main Dreamland investors are from Austria. They started investing in 2014, and what was initially a 300 thousand dollar investment increased to 1 million, then to 3 million, and so on. The company now has 100 million dollars ready for investment. "The plan that we developed through 2023 is clear proof of this," said Geguchadze.

The figures are impressive: so far 41.5 million USD has been invested in building the hotel and apartments. There is another ongoing project, which costs about 18 million USD. Dreamland is waiting for a construction permit for an additional project, which will likely be launched this year and will cost 12 million USD. By 2023, the total investment value will be around 94-118 million USD. All of this will be done in Chakvi.

The company also has other assets that it plans to develop in the future. "Our future projects will be determined by the success of Dreamland Oasis. When we feel ready to develop similar models in other locations where we own land, we will certainly do that. This will be a Georgian network brand," said Geguchadze.

Dreamland Oasis is proving to be a successful project. Customers paid over \$3,150 for one square meter of space in the last remaining apartments early this year, which means that demand is very high. "You know what has worked well for us? We don't sell square meters as they are," said Geguchadze.

Indeed, only 17% of the entire territory is occupied with buildings: the rest is marine infrastructure and green cover. Besides, there is plenty of eucalyptus, a botanical garden, the Mtirala National Park, mountains and the sea, which all create a unique micro-climate. And all of these are close at hand to the Dreamland Oasis. "There is well-developed infrastructure, and that is why we say that we don't just sell square meters, we sell the emotions you get from the aesthetic beauty and comfort of Dreamland Oasis. You can safely spend your holiday with your kids or parents, and rest assured that everyone feels safe and happy here," explained Geguchadze.

Meanwhile, the prices for client's initial assets, purchased before Dreamland started construction, have already increased by 30%.

If before the Dreamland Oasis, people travelled to Turkey to enjoy these services, now they can get them in Chakvi. "We are obviously pioneers on the market. We

are the first to create such an environment and to take this tremendous responsibility. We offer our customers finished apartments. These apartments have everything – you can just step in and drink some tea. 80% of the apartments have already been sold. The fact that none of the customers have so far attempted to redesign their apartments confirms that customer satisfaction is high," said Geguchadze, adding: "This is a very important indicator for us; it shows that we have managed to create a good environment for our customers."

Tourism development is one of the key areas in the four reform pillars the government introduced in 2016.

These apartments have everything – you can just step in and drink some tea.

The government is developing a spatial plan for the entire country, as well as for municipalities, villages and coastal regions, including masterplans for established tourist destinations and for places with untapped tourism potential. Additionally, the government of Georgia is incentivizing the hospitality sector in rural regions. A hotel industry incentive program, administered by Enterprise Georgia, co-finances interest payments and consulting services and provides a partial collateral guarantee. Since the launch of the program, which includes incentives for developing internationally branded hotels outside of Tbilisi and Batumi, 42 hotel projects have been accepted, and total investment has reached 123.7 million GEL and 1,200 rooms as of March 2018.

Galt and Taggart estimate that tourist arrivals will more than double over the next five years. This will mean 7.6 million tourists, or twice Georgia's population. At these levels, Georgia will overtake the ratios of Hungary (with 1.6 times its population), Slovenia (1.5 times more), Albania (1.4 times) and Bulgaria (1.2 times), but will still be below the proportions found in Croatia (3.3 times its population), Cyprus (2.7 times), Montenegro (2.7 times) and Estonia (2.4 times), based on 2016 statistics. The most recent research by Galt and Taggart indicates that these findings for Georgia seem reasonable, as in the countries mentioned above, tourist numbers previously doubled every five to seven years. "Additionally, we do not exclude faster tourist arrival growth in Georgia, given the rapid success of ongoing reforms in the tourism sector." 

Georgian Oil

“Tourism is Georgia’s oil,” said Italy’s Ambassador to Georgia, Antonio Enrico Bartoli. His assessment was attention-catching: besides the eloquence of the phrase, it communicates an important trend. In 2017, the revenue from international tourism in Georgia reached \$2.75 billion, a 27% increase over 2016. The government predicts that tourism revenues will exceed \$3 billion this year.

TEXT BY TELARA GALANTIA



According to data provided by the National Bank of Georgia, tourism revenue (which is the largest share of service exports) has become the main source of financing the goods trade deficit. As stated in the 2017 NBG Annual Report, "The high rate of growth in tourism revenue has gained on the revenue from the export of goods." (see diagram).

Based on data collected during the first four months of 2018, a total of 2,060,264 international travellers visited Georgia, 15.9% more than the previous year. From that total, 937,370 were tourists. We do not have data showing how long these tourists stayed in Georgia, where they travelled or how much they spent during their visits. We know that in the first quarter of this year,

THE RATIO OF REVENUES FROM EXPORT OF GOODS AND TOURISM TO GDP



ACCORDING TO NATIONAL BANK OF GEORGIA, 2017



tourism revenue reached \$560.3 million, 125 million more than last year.

The National Statistics Office of Georgia (GeoStat) conducted a three-year study of foreign visitors. As part of this study, GeoStat surveyed non-resident respondents at ten border check-points on a monthly basis. The results of the study will be published in the near future. The National Statistics Office informed Forbes Georgia that the data processing is in its final stage.

The private sector, as well as the Georgian National Tourism Administration, is anticipating the results of the study with great interest. In order to develop an efficient marketing policy, the government needs detailed information regarding tourism spending, which is later broken down based on UNWTO methodology. This data is particularly valuable because tourism is growing at a very fast pace year after year.

"It is safe to say that this year we will host over 8 million international travellers, and the revenues from international tourism will exceed \$3 billion," said Giorgi Chogovadze, the head of the Georgian National Tourism Administration, in an interview with Forbes Georgia.

These millions of guests require suitable hosting. Therefore, Chogovadze believes that the main challenge for the country is developing adequate infrastructure and resorts. He added that the construction of new facilities is underway, which will ensure more comfort for tourists.

Chinese tourists spent \$257.7 billion abroad in 2017



According to Chogovadze, Georgia is developing four-season resorts, which will attract large numbers of tourists all year round. “We don’t want geographic location to become an obstacle to the development of the tourism sphere,” he said. Chogovadze added that improvements in service quality are another challenge that must be addressed, and that his administration is contributing to this effort. “We trained over 1,300 representatives of the private sector in 2017, and we have even more interesting projects planned for this year.”

The head of the Georgian National Tourism Administration wants to encourage investors to become involved in the tourism sphere. According to Chogovadze, the tourism sector has become one of the driving forces of the country’s economy over the past few years. He added that the Georgian Tourism Development Strategy 2025 predicts that the number of international travellers arriving in Georgia by that year will exceed 11 million, while the revenue from tourism is expected to exceed \$6 billion.

“The growth of the tourism sphere in Georgia must be a clear signal to investors that the tourism industry is developing, and now is the best time to acquaint yourself with Georgia and market acquisition,” Chogovadze said.

The former head of the Tourism Department of Adjara, and the current executive director of the Tourism Institute, Mamuka Berdzenishvili does not deny that tourism has great potential. However, he disapproves of the Georgian Tourism Development Strategy 2025.

Berdzenishvili believes that it is difficult to carry out marketing without proper statistics and analysis, but on the other hand, purposeful marketing requires a brand. He said he cannot see what exactly the brand ‘Georgia’ offers visitors: “It offers everything and nothing at the same time,



STATISTICS

The share of tourism of the GDP was 6.86% in 2017

- 2008** – 6.24%
- 2009** – 5.83%
- 2010** – 6.08%
- 2011** – 6.02%
- 2012** – 6.08%
- 2013** – 5.83%
- 2014** – 6.32%
- 2015** – 6.71%
- 2016** – 6.75%

which is quite confusing. Therefore, the image of Georgia does not quite fit with the perception of the consumer.”

According to Berdzenishvili, the messages used to market the country are inconsistent, which interferes with Georgia's efforts to promote its image as a tourist destination. “It is important to know who we are and what we sell,” he said. He added that the situation is worsened by the fact that the target markets are not properly researched. “We are completely unaware what they think of us, who our segment is and how to target them. We also have no information regarding the impact of the advertising campaigns.”

The former chairman of the Adjara Tourism Department also criticised the state program Check in Georgia. Berdzenishvili believes that given the seasonal nature of the tourism business in Georgia, particularly outside Tbilisi, it is unwise to organize events and concerts in Batumi in July and August. “The state should consider stimulating local and international flights during seasons of low activity,” said Berdzenishvili.

Criticism and controversy is by no means his primary goal, and this is obvious from his strong approval of the government's efforts to develop the Kutaisi airport. He also commends the government for its efforts to develop mountain-ski resorts. However, he added that in the absence of a comprehensive strategy, it is rather difficult to identify priorities. For instance, what does the country need more: ski resorts or balneology centers?

When asked what Georgia's key advantage is for attracting tourists, he reiterates the need for a comprehensive strategy.

“We should probably look at our trump card from two different perspectives: neighbours and far-away countries. In the case of our neighbours, Georgia's trump card is sea resorts, as well as various entertainment opportunities in Tbilisi and Batumi; as for visitors from all non-neighbouring countries, our advantage should be nonmaterial culture and diverse nature: dishes, wine, folklore, the still un-commercialized village population and authentic Georgian hospitality,” said Berdzenishvili.

Lack of qualified personnel remains a serious challenge, in spite of the fact that all available evaluations show that the quality of service in Georgia has significantly improved in recent years. “There is a lot of new blood in the hotel and restaurant business—these are mainly students who have managed to make the service industry more interesting and attractive. However, a lack of qualified human resources remains a problem,” said Andrey Vlasov, the general manager of the Hotel Crowne Plaza Borjomi.

Nevertheless, this is not the only challenge that Andrey Vlasov talked about in his interview with Forbes Georgia. He believes that ensuring maximum security of tourists is among the top challenges, because every fatal outcome has a negative impact on the country's image: “While we have the ambition to be a tourist destination, both the private and the state sectors should be more aware of all the commitments and responsibilities that come with this status,” he said.

Another “interesting” challenge that Vlasov views as a “threat” is the increasing number of small businesses operated mostly by Iranians located in the tourist districts of old Tbilisi, specifically Abanotubani and Aghmashenebeli Avenue. These are mostly eateries and there are a growing number of Iranian-operated businesses in tourist cities

The Georgian National Tourism Administration will spend GEL 23,174,300 on marketing activities in 2018

along the Black Sea coast, such as Batumi. “In several years we may face a deplorable reality as the historic districts start losing their uniqueness, which has always made them so attractive to tourists,” he said. Vlasov urged the government to enforce regulations to tackle this problem.

The general manager thinks the government's support of tourism and consideration of it as a top priority naturally adds potential to this industry and makes it more attractive for investors. “The current trends indicate that investing in hotels is profitable,” said Vlasov, using the example of the Intercontinental Hotel Group (IHG). Along with the Crowne Plaza, the IHG unites brands like Intercontinental Hotel & Resorts, Holiday Inn, Kimpton Hotels and Hotel Indigo.

“In the near future, we plan to open another Holiday Inn in Tbilisi, as well as one in Kakheti. At this moment, there are no concrete projects with respect to the Crowne Plaza in Georgia, however, in the event of an initiative the brand is ready to negotiate,” said Vlasov.

The number of hotels and similar accommodations has been growing in recent years. According to the latest GeoStat data (from 2016), there were total of 1,496 such establishments registered in Georgia, with a majority of them located in Tbilisi and Batumi.

Needless to say, it would be impossible to discuss the efficiency of the entire industry based on accom-



modation statistics alone, as transportation plays an equally important role in the tourism chain. The general director of Ltd Voyager, Mariam Kvrivishvili, whose company represents the airlines Flydubai, Gulf Air, Salam Air, Flynas and Jazeera Airways, said Georgia is rapidly becoming a favorite destination for citizens and residents of the Persian Gulf states. According to her, demand is not just growing, but exceeding all expectations. As of this June, there will be direct flights to Georgia from almost every country in the Persian Gulf. There will also be direct flights between Dubai and Kutaisi twice a week.

The arrival of new airlines and the introduction of new destinations is a testament to the Georgian air travel market's constant growth. However, Kvrivishvili believes that one of the main challenges hindering development in this sphere is the high operational and tax rates at Tbilisi International Airport.

"It would be highly advisable to offer more incentives, especially when there are new destinations and new airlines entering the market," said Kvrivishvili, and added that the Kutaisi airport operates in full compatibility with Georgia's development strategy.

The director of Ltd 'Voyager' predicted that the number of travelers from Arab countries will triple this

year: "Most importantly, due to direct flights, Georgia will receive not just a large number of tourists, but also high tourist spending."

Ltd 'Voyager' is not the only company that claims this. Private sector representatives increasingly discuss the need for focusing not just on numbers, but also on quality. Crowne Plaza Borjomi also shares this view. Vlasov, the general manager of Crowne Plaza Borjomi, believes that Georgia should start considering the high-budget tourism sector as the driving force in tourism in Georgia.

The head of the National Tourism Administration, Chogovadze, supports this viewpoint and stated that along with neighboring countries, Georgia is positioning itself to appeal to high-spending European markets as well.

"For this purpose, we are focusing on the development of business tourism, which is a high-income sphere. We are also paying particular attention to the development of spa, balneology and wine tourism," explained Chogovadze.

The Regional Programme for Europe officer at the UN World Tourism Organization, Beka Jakeli, confirmed this information. He believes that in order to reach the full tourism potential of Georgia, it is important to

focus on the number of tourists and the quality of the investments attracted through tourism. Jakeli had some concrete advice in this regard. "In view of high-income communities, I believe that it would be wise to wage active targeted marketing campaigns in a number of markers, namely: Germany, the UK, France, Italy, China, the Republic of Korea, Japan, the US and Canada."

Jakeli did not overlook competitive advantages that can help Georgia attract tourists: "The local population, Georgian traditions, national cuisine, wine and certainly nature," said Jakeli, while admitting that it is now rather difficult to say what is it that Georgia has to offer that neighboring countries do not. Therefore, it is important to offer competitive prices in the airline and hotel markets, and ensure the ease and safety of traveling to Georgia. Based on Jakeli's analysis, modern tourists prefer to travel to new and unfamiliar places. At the same time, approaches to tourism are also changing. For instance, service quality is gradually losing priority in travel evaluation. "Today tourism is all about the experience," he said.

In 2017, 1.3 billion people travelled to different parts of the world

According to the UNWTO officer, provided that Georgia continues to practice policies promoting tourism, in the next 20-30 years the country will have real potential for dynamic growth. "My advice to investors would be to invest their money in developing the infrastructure for medical and agricultural tourism, as well as the construction of hostels, because the number of young travellers around the world is increasing every year," Jakeli said.

In 2017, the hotel and restaurant business received approximately \$90 million in foreign direct investment. According to the latest data provided by the GeoStat (from 2016), a total of 151,700 people were employed in tourism-related spheres, while tourism's share in the GDP increased to 6.86%. 



Tourism Inflow to the Region

The main Georgian cities (Tbilisi and Batumi) have become expensive terrain. In the hunt for larger profit margins and bigger yields, both operators and investors have started to feel more comfortable with secondary and even tertiary locations. A good example is Adjara Group's Rooms brand expansion to Georgian rural regions, as well as Best Western's expansion plans. Other brands, especially international hotel groups, have acted less boldly. However, soon there will be Holiday Inn, Golden Tulip and Radisson hotels opening in Kakheti.

- **Visiting friends and relatives:** combining visits to relatives and the highlights of the region, usually over two or three days
- **Business and professional:** different fields, including wine professionals, engineers and employees of construction companies
- **Transit:** mainly passengers travelling to or from Azerbaijan
- **Conferences, education, training:** small and medium companies organizing short seminars and trainings
- **Events, festivals, concerts:** includes corporate events, civil and folk festivals and concerts
- **Shopping:** buying wine and agricultural products at local bazaars
- **Employment:** Georgians seeking employment at vineyards during the harvest period
- **Science & research:** archaeologists, ethnologists, art historians, photographers and journalists

Local balneotherapeutic health resorts are located in Gurjaani (Akhtala) and Sagarejo (Ujarma). However, at this stage their potential has yet to be fully realized. Rare micro-climate areas like the village of Mariamjvari and Tsivi and Kodi mountains should also be explored and developed into tourist destinations.

The convenient location of Kakheti, especially its proximity to Tbilisi and its shared border with Azerbaijan, makes the region a transport corridor and provides a sound basis for economic cooperation between the two neighbouring countries.

The only information available regarding foreign tourists in Kakheti is from 2013's ACT study. Below we present the results of this report and make further assumptions and projections based on this data. Visitor inflow to Kakheti comes mainly from nearby countries whose residents have the advantage of proximity. This is especially true of Azerbaijan, as it borders the region, but considering travel purposes these are mainly daily trips or VFR travel. Russia is the origin country with the second-highest volume of tourists visiting Kakheti, representing 17.62% of travellers. Armenia, Ukraine, Poland and Germany account for between 4.5% and 6% of the region's tourists.

INTERNATIONAL TRAVEL

In terms of tourist attractions, Kakheti is one of the most popular regions of Georgia, and has diverse appeal for travellers. The density of heritage sites, wine cellars, natural resources, cultural attractions and the geographic location of the region provides significant potential for the development of Kakheti's tourism sector, fulfilment of which largely depends on the improvement of the service sector and related infrastructure. Among tourists visiting Kakheti, both foreign and Georgian visitors are interested in various forms of tourism, including:

- **Cultural:** visiting historical, architectural and religious sites
- **Wine:** visiting wine-related sites including wineries, family-run wine cellars and related cultural attractions
- **Adventure:** visiting national parks like Davit Gareja, Lagodekhi, Tusheti and Vashlovani Protected Areas
- **Holiday, recreation, and leisure:** weekends tours with at least one night spent at Kvareli Lake, Lopota, Sighnaghi or other sites;

The number of international visitors to Kakheti in 2013 totalled 383,015, or about 18.5% of the total number of tourists (those who stayed longer than 24 hours) and 7.1% of the total visitors to Georgia. As an international visitation survey has not been conducted since this time, C&W assumes the same ratio of guests choose to visit Kakheti, and considering the growth of visitation to Georgia in general, the table below shows these estimates and projects that 635,354 visitors will travel to the region in 2019. This based on the following factors:

- *The growth rate of international visitor arrivals to Georgia between 2013 and 2017* was used as the assumed growth rate for international visitors to Kakheti. The figures were as follows: 2.3%, 7%, 7.8%, 18.8% growth.
- *In order to project future inflow* to both the entire country and the region, we have utilized the compound average growth rate of international visitation to Georgia within the above period, 8.8%.
- *Within the reported period the infrastructure and tourism attractions of the region have increased significantly*, and it is safe to say that the ratio of travel to Kakheti will be higher than 18.5%, the rate in 2013. However, with no hard data to rely on, the following projections describe a cautiously pessimistic scenario.

DOMESTIC TRAVEL

In addition to the demand generated by international guests for lodging facilities, we assume a certain amount of room sales generated by domestic travel. The chart below (chart 2) shows total visitation to Kakheti by the Georgian population; the data is available from the second quarter of 2014 to 2017.

Domestic travel in Georgia is relatively volatile, therefore applying a growth rate using the above-described logic and available information is nearly impossible. The existing historical dynamics show a minor decrease in domestic tourism to Kakheti. At this point, to be on the safe side, we will assume the same figures for the following years. Consequently, the visitation number for 2019 should be 879,881 visitors.

The main purpose of domestic visits is usually to visit friends and relatives (accounting for 54.3% of visits) followed by holiday travel, leisure and recreation visits and shopping trips. As is the case in most developing countries, Georgia's domestic tourists spend much less on travel than international visitors do. In order to identify the size of demand for lodging facilities, we assume the travel purpose ratios stay unchanged.

CHART 1: INTERNATIONAL VISITORS TO KAKHETI (2013-2019)

Tourists differ in the purposes of their visits. Holidays are the purpose most frequently cited by international travellers to Kakheti. Nearly 40% of tourists visiting the region were on recreational trips. The variety of feeder markets to the region provides grounds to conclude that Kakheti is a popular international leisure destination among visitors to Georgia. Other popular purposes include VFR, shopping and transit, but these create no market demand for accommodation.



Source: Survey of international visitors 2013 was conducted by the research company ACT and ordered by the GNTA

CHART 2: TOTAL VISITATION TO KAKHETI BY THE GEORGIAN POPULATION



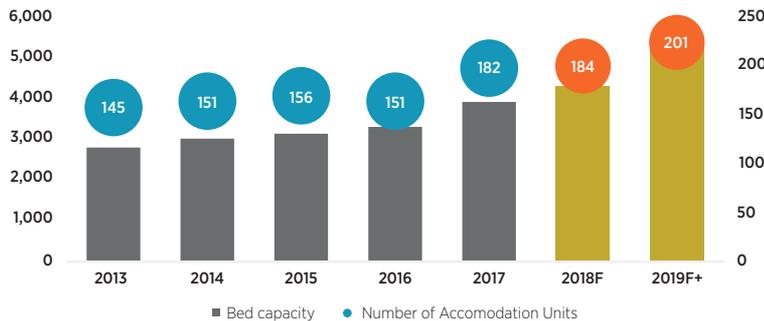
SUPPLY & DEMAND ANALYSIS — KAKHETI IN TOTAL

As of the end of 2017, Kakheti offered 185 lodging facilities of various quality (including affluent boutique hotels such as the Ambassador Kachreti, Royal Batoni, Chateau Mere, Kvarlis Tba and Kabadoni), with a total bed capacity of 3,659.

The market is currently made up largely of local operators and brands, some of which are well established. However, some suffer from incorrect positioning (such as Kabadoni) or improper management.

CHART 3: KAKHETI SUPPLY ANALYSIS

The chart shows the dynamics of the lodging supply in Kakheti within the period between 2013 and 2017, and the forecast for 2018-2019 based on the projected supply.

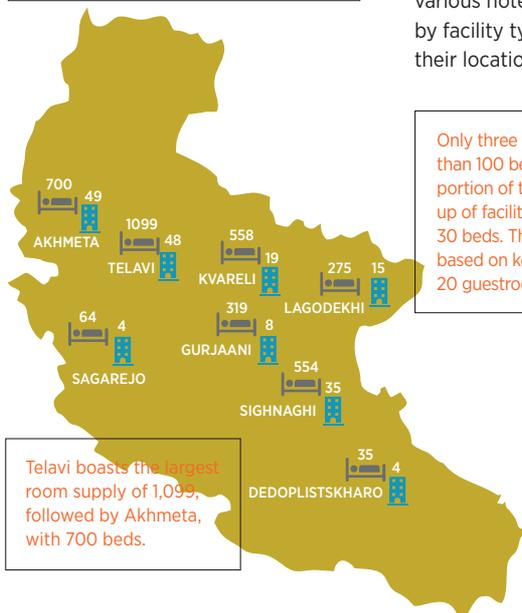


SUMMARY OF THE DETAILS OF NOTEWORTHY DEVELOPMENTS

HOTEL NAME	LOCATION	DATE OF DELIVERY	BEDS
Radisson Blu Tsinandali	Village Tsinandali, Telavi	2018	200
Golden Tulip	Telavi	2018	200
Holiday Inn Telavi	Telavi	2019	160
Extension of Lopota	Village Napareuli, Telavi	2018	80
TOTAL			640

Hotel-style facilities make up 41.6% of Kakheti's accommodation market, with 36 units and 1,501 beds. The remaining facilities are generally of low quality and are in danger of closing when the market becomes saturated.

A large percentage of hotels currently operating in Kakheti are of very small size and are predominantly families hosting guests, rather than formal hotel properties. The tables below showcase the sizes of various hotel sectors, differentiated by facility type and scale, as well as their location within the region.



Only three hotels offer more than 100 beds, as the major portion of this market is made up of facilities with fewer than 30 beds. The market average, based on keys per property, is 20 guestrooms.

Telavi boasts the largest room supply of 1,099, followed by Akhmeta, with 700 beds.

KAKHETI DEMAND ANALYSIS

Demand is made up of international and domestic tourists who intend to travel for holiday, leisure recreation, pilgrimage, business or professional reasons. In order to estimate the sales generated from these visitation figures, based on survey responses we assume two nights' stay per visit. Below is the calculation for bed nights (occupancy for one person on a single night) for 2017, as well as projections for 2019.

2017	2019
$227,197 + 123,564 = 350,761 \times 2 = 701,522$ bed nights	$268,948 + 123,564 = 392,512 \times 2 = 785,024$ bed nights

Correspondingly, the correlation between the demand and existing supply, as well as the projected supply is calculated as follows:

Available rooms x 365 days / bed nights

Considering the big picture: market-wide occupancy and average rate often drive the judgment to build a new property. Given the overall Kakheti projected occupancy rate of 42.2%, the predicted vacancy rate would do little to suggest the need for new hotels. Careful review of market specifics, however, can often reveal supply and demand nuances that might indicate potential for a new hotel. With an aging lodging supply and a proliferation of new brands and concepts, market occupancy and rate are no longer the only benchmark for an individual property's potential performance. As the hotel stock in a market matures, inevitably new hotels achieve stronger operating performances, often at the expense of older properties. Market performance as a whole may not be indicative of an individual property's potential and occupancy. Individual properties adjust to markets and base their concept development plans on existing market performance indicators and patterns, therefore choosing the correct hotel type and configuration is crucial in cases such as Kakheti's, where the occupancy follows a typical leisure-led pattern.

Markets that in the aggregate do not seem particularly robust may have niche or latent demand that would provide adequate bed nights for a particular property type or brand. Insight from feasibility experts can help determine the development opportunities in these kinds of markets. One major factors is the type of hotel, in order to target the correct segments of these markets.

Cushman & Wakefield Advisory have identified and compared two types of hotels evident on the Kakheti hospitality market:

- **City center properties:** more oriented on corporate and business travellers and tour group

visitors. This lodging type offers standard conference facilities, extensive dining options and subcontracted tourist routes with local agencies. No further recreational amenities are present at such hotels (e.g. no swimming pool, spa, gaming or entertainment facilities), which causes neglect from the holiday and weekend retreat visitors who generate a large portion of Kakheti's tourist flow. Moreover, as group visits are highly seasonal, the occupancy levels of such hotels are lower than the market average and are subject to higher volatility.

• **Holiday retreats and rural agro-wine resorts:** represented either by boutique hotels or chateaus. Based on consultants' field work, area analysis and knowledge of the local lodging market, it is felt that the demand for hotel accommodation of this type can be further segmented into:

1. *Leisure holiday and weekend retreat demand, considered to be the largest generator of room night demand in Kakheti, is seasonal and most active on the weekends, during the summer months and holidays. However, the flow of visits during shoulder and low seasons continues.*

2. *The 'Other/MICE' segment incorporates demand generated through sports teams, festivals and events, conferences, family reunions, and other large meetings. Taking into account our corporate traveller survey, as well as public sector interviews, Kakheti is the location (due to its proximity to Tbilisi) most often chosen for trainings, seminars, conferences and corporate outings. The MICE segment, similar to the demand generators of the city center hotel business, are also price sensitive and generally enjoy discounted rates from hoteliers. However, holiday and weekend retreat visitors tend to pay rack rates and generate higher revenues for properties during high seasons and holidays, which are peak periods for the lodging market.*

Performance indicators for hotels with different market positioning – in this case, chateaus and non-chateaus – are compared in a Chart 4.

UP, UP AND AWAY!

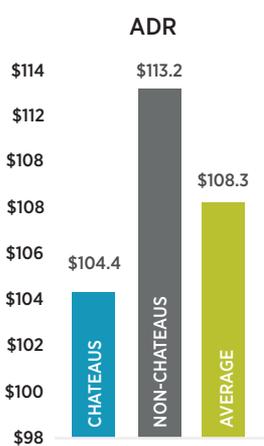
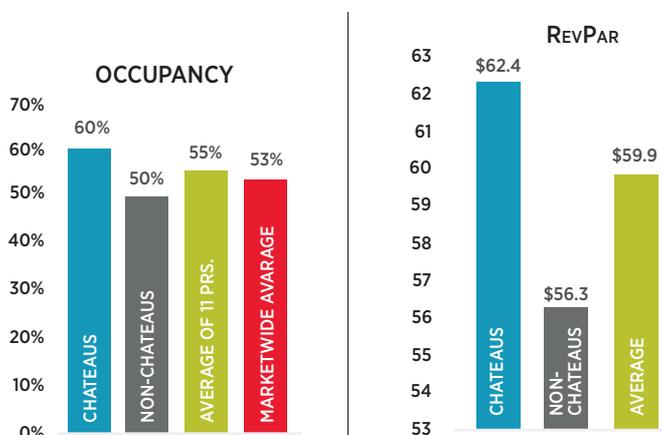
It has been a remarkable year, but was 2017 the peak year for Georgian Hospitality? We don't believe so.

Georgian hotels and resorts had an impressive year, with high occupancy and a record flow of tourists. However, while 2017 was the latest in a string of record years, Cushman & Wakefield expects 2018 will break records for hotel performance in Georgia. Our review of key indicators shows continued demand for rooms and ADR growth in most markets across the country next year. 

SUPPLY VS. DEMAND 2017	2017	2019F+
Available bed nights per year	1,315,460	1,858,945
Bed nights demanded per year	701,522	785,024
AVERAGE ANNUAL DEMAND GENERATED	53.3%	42.2%

- The projected supply of three large-scale hotels (all internationally branded) and an extension of the Lopota Lake Resort will bring 640 branded beds to the market by 2019, while the increase of non-branded beds will bring the total bed capacity of Kakheti to 5,093. The stock increase will result in a decrease of market wide occupancy as described above, stabilizing at 42.2%
- Another important factor is induced demand. We assume the upcoming projects—the Radisson Tsinandali, Golden Tulip Telavi and Holliday Inn—will generate their own induced demand, and therefore the overall impact on market wide occupancy may not be as significant. This trend has been observed on numerous occasions, prior examples including Kazbegi Rooms and Borjomi Rixos.
- The opening of the above properties, however, may impact the market and its saturation by cannibalizing small-scale family hotels and guesthouses.

CHART 4: PERFORMANCE INDICATORS FOR HOTELS WITH DIFFERENT MARKET POSITIONING



- The 11 properties sampled demonstrate, on average, a similar occupancy as the market-wide figures.
 - The chateaus (5 out of 11 properties) enjoy higher occupancy than non-chateaus, as well as higher occupancy than the market wide average, as these hotels are more in-demand from both local and international tourists due to gastro and wine travel.
 - The ADR is lower than both other indicators, mainly due to the price sensitivity of guests in these hotels (like tour groups) and effective pricing strategies.
- The reason we assess chateau pricing as correct is easily understood through RevPar, which is higher than for both non-chateaus and average hotels, showing that these types of lodging facilities generate higher revenues.



The Airline You Trust

In its 16th year in the international market, AirAstana has become a model of success for the airline industry. In 2017 alone, the company served 4.2 million passengers from all over the world and strengthened its position as a leading airline in Central Asia. With almost 70 international and domestic routes, the Kazakh airline exceeds each customer's expectations and offers high-quality security and service.

TEXT BY ELENE CHOMAKHIDZE
PHOTO: JABA CHITIDZE

Air Astana is the national carrier of Kazakhstan, and since beginning operations in 2002 proves every year that it deserves trust from passengers. Certainly, safety and security is a priority of company. Starting from 2007 company successfully completed the 6th International Air Transport Association's Operational Safety Audit (IOSA).

"The company's goal is gaining an effective market position. Achieving this goal requires operating aircraft of the highest quality and providing all international-standard service. At AirAstana, everything starts from the ambition to provide comfort and security to consumers and simultaneously raise the standards of the competitive market," said AirAstana's regional manager for Georgia, Kamila Zhailaubayeva. "Air Astana has operated flights to Tbilisi from June 2011. We fly to two Kazakh cities, Almaty and Astana. Mainly during the

low season we operate with Embraer 190 jets, and during the high season we operate using Airbus 320 planes. Last year our transit traffic from Georgia increased by 40% in 2017 over 2016," said Zhailaubayeva.

The main driver of this expansion has been connecting traffic via Astana and Almaty as part of the successful programme Astana & Almaty Stopover Holidays, which was introduced by the airline over three years ago. The programme gives AirAstana international transit passengers a minimum connection time of 10 hours, a Special \$1 offer that includes one-night accommodation with breakfast and return airport transfer. Moreover, other passengers can also benefit from the \$1 offer if they book a minimum of two nights (the offer is available at select hotels).

FLEET EXPANSION

Currently, the AirAstana fleet consists of 32 aircrafts, but the company will continue to expand its fleet. The first Airbus A321 Neo was put in operation this January, and the carrier has confirmed the order of five Embraer E2 aircraft, the newest generation of regional jets. The first delivery of E2 jets is planned for November 2018. The size of the order is now 19 aircraft (14 Airbuses from the A320 Neo family, 5 Embraer E2 jets) to both support the airline's expansion and replace existing aircraft.

According to Zhailaubayeva, AirAstana operates within Central Asia as well as to Asia, Far East, Middle East, Russia and Europe. In Asia, the company operates to India and China. For the moment, Delhi is the only Indian destination, but the company plans to increase flights to India in the near future. As for China, Air Astana flies to Urumqi, Beijing and Hong Kong. Within Central Asia, flights go to Tashkent, Bishkek and Dushanbe. In the Caucasus, the airline covers flights to Azerbaijan (Baku), Georgia (Tbilisi) and Russia. Passengers can travel to all of the above destinations in business or economy class.

HIGH-QUALITY ON BOARD SERVICE

Air Astana is a company that treats its passengers with high-quality service and provides such service in both classes. Business class is served on all type of aircraft. There is no doubt that each passenger will enjoy the atmosphere of comfort and peace offered in business class. Air Astana provides various services and amenity kits to help passengers arrive refreshed at their destinations. Passengers can relax on the fully flatbeds offered on Boeing 757 and 767 aircraft, and on long-haul international flights they can rest under the luxury duvets also available on the Boeing fleet. Whether passengers

are travelling for business or leisure, they will enjoy the stylish new business-class amenity kits onboard medium-haul and long-haul flights.

For some destinations, the company also offers Economy Sleeper Class. Economy Sleeper Class is offered on routes from Astana to such international destinations as Frankfurt, Paris, London and Hong Kong. What this means is that travelers have the opportunity to travel with the facilities of business class, but at the price of economy class.

PREFERRED LOCATION ON BOARD WITH MYSEAT

For more comfort, on most flights passengers have the option to book seats in advance via the new MySeat service. The service is available for purchase until two hours before departure. MySeat places are premium seats in the first two economy class rows and at the emergency exits. The service is available exclusively on Air Astana flights. All seats provide more leg room, and their location in the cabin allows passengers to disembark faster.

TREAT YOURSELF TO BUSINESS CLASS

Among a number of innovative products that AirAstana offers to its clients, one of the most distinguished is MyUpgrade, an online tool that enables Economy Class customers to bid for an upgrade to Business Class before their flight. The tool gives passengers the chance to name their own price (within a minimum and maximum range), and be considered for an upgrade to the premium cabin. Customer bids are accepted up to 72 hours before departure. The MyUpgrade service supports Air Astana's aim to ensure the best passenger experience. Those passengers who successfully bid for an upgrade will enjoy a host of benefits and privileges, including greater in-seat comfort, personal on-demand in-flight entertainment systems, Air Astana's renowned Business Class cuisine and beverage selection, access to International Business Class lounges, increased luggage allowance, priority boarding and priority luggage delivery.

BUSINESS CLASS PRODUCT

As part of its entertainment programme, the airline offers individual iPads in business class on available on all routes. MY WiFi service is available for purchase on Boeing 767 jets. The 2Mbps internet will let passengers to surf internet, send emails, interact on social media, listen to music and upload photos. There is also a menu with different types of food and beverages, and meals



are prepared fresh at every stop. Air Astana incorporates traditional ingredients and flavours specific to regional cuisines from across Central Asia, Arabia, Asia and every corner of Europe. The company's catering team strives to create innovative menu that bring destinations from across the network to all passengers onboard.

The airline's success in the domestic and international markets highlighted by the awards it has earned in the past years. Air Astana has once again been awarded

with 4-Star service excellence, retaining the accolade of 'Best Airline in Central Asia and India' in the Skytrax World Airline Awards for the sixth consecutive year.

TripAdvisor, the global travel planning and booking site, has named Air Astana as a Winner in the Regional-Asia category in the 2018 Travellers' Choice Awards, which identifies travelers' favorite carriers around the globe. Travellers, who submitted reviews to TripAdvisor after flying with Air Astana highly rated the airline's Customer Service, Cabin Cleanliness, Food & Beverage, Seat Comfort, Value for Money, Check-in and In-Flight Entertainment. Award winners were determined using an algorithm that took into account the quantity and quality of airline reviews and ratings submitted by travellers worldwide between February 2017 and February 2018.

As a global ambassador for Kazakhstan, Air Astana has been working diligently to accomplish the company goals of remaining the most reliable airline in the region; maintaining the highest standards of customer service; and growing and improving its fleet, route network and overall product. **F**



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Receive high quality dental care, save money and discover Georgia!

Operating for over twenty years with six branches throughout the country, The DENS dental clinic now focuses on medical tourism, serving patients from abroad.

AUTHOR: SALOME CHIPASHVILI

The first clinic in the DENS dental clinic chain opened in November 1998 in Rustavi, and has now been operating for 21 years. The DENS chain operates six dental clinics throughout Georgia, including two in Tbilisi, two in Rustavi, one in Gardabani and one in Marneuli, with 150 employees in total. The DENS clinics care for the health of customers, strive to introduce modern standards and methods of treatment, make them accessible to all consumers and promote the training of young professionals.

“From day one, we started introducing American standards, for instance using Latex disposable gloves and horizontal patient positioning, which was practically a revolutionary move at the time,” said the founder of the DENS clinics, Giorgi Kochiashvili.

THE PRINCIPLES AND INTERNATIONAL STANDARDS OF DENS

The DENS clinics incorporate all aspects of dental care, including aesthetic dentistry, therapy, orthodontics, implants, periodontology, surgery, paediatric dentistry and digital dentistry.

The main vision of DENS is to become a dental clinic chain that is in full compliance with international standards and can compete with European dental clinics. “Competition for us does not mean only on the Georgian market. We do not have closed borders any more. Georgia enjoys

a mutually free and reliable environment with Europe, and therefore, the DENS clinics are competing with dental clinics in Hungary, Latvia, the Czech Republic, France and other European countries,” said Kochiashvili.

All patients who come to DENS clinics are guaranteed high-quality dental care. DENS uses only CE accredited materials, which are mainly imported from Germany, Switzerland and Italy, as well as American-made materials for orthodontics and implants.

MEDICAL TOURISM

Along with clinical work, the DENS dental clinic chain is contributing to the development of medical tourism by hosting patients from all over the world, including from the US, the United Kingdom, Israel, Spain, Italy, Germany and Denmark.

“Customers have become increasingly demanding, which means that we have no time to relax. Clients come to our clinic from all over the world, and ask for exactly the same quality of service that they can get abroad,” said Kochiashvili. These people compare the quality of service in Europe and Georgia, and when they see that the quality is comparable, while there is a big difference in price, they decide to receive dental care in Georgia at the DENS clinic, as opposed to going to a dental clinic in Europe. Subsequently, they share their experiences with friends, family members and acquaintances. Every holiday season, DENS focuses on medical tourism, serving many patients from abroad.



However, it should be noted that the medical tourism sphere still has untapped potential. DENS operates mainly through satisfied clients and personal contacts. “That is exactly why we need a dedicated team in Georgia that will organize and wage a PR campaign for dental services in our country. There is no such intermediary at the moment, and medical tourism is still successful. Just imagine how successful this sphere could be if we had someone promoting it. I believe that in the presence of an intermediary, the scale of medical tourism would significantly increase and make a major contribution to economic growth. We would be delighted to see exhibitions and trade shows dedicated to the sphere of medical tourism, where other dental clinics would have the opportunity to participate and acquaint European countries with their services,” added Kochiashvili.

The services that DENS clinics offer tourists are very simple and convenient: appointments can be made online, and computer imaging can be sent via email. “We prepare the treatment plan in advance and provide the cost estimate. Appointments with the doctor are planned two weeks ahead, and tourists know how long the treatment will take and how much they will be charged. This gives them a chance to better plan cultural and sightseeing tours,” said Kochiashvili, adding that “the treatment plan is prepared online, and we already know what kind of treatment will be necessary before the tourist arrives in Georgia.”

“Competition for us does not mean only on the Georgian market. The DENS clinics are competing with dental clinics in European countries.”

PRICES

Regarding the difference in prices, at DENS clinics the price for implants varies from \$200 to \$1,000, while the standard service using the exact same materials and protocol in Germany would cost between \$2,500 and \$10,000. “Our prices are 70-80% lower, mainly due to a low profit tax in our country. For instance, compared to Finland, where the profit tax is 56%, Georgia’s is only 18%,” said Kochiashvili. The dental clinic chain manages to maintain low prices compared to European countries at the expense of staff salaries and rent and not by cutting costs with the materials used in dental care. The dental materials used by DENS clinics are analogous to the materials used by dental clinics abroad. The fact that medical technologies are exempt from taxes in Georgia, and that medical clinics do not pay VAT, has significantly contributed to the development of private sector medical care. All of these factors explain the high demand for dental, ophthalmological, gynaecological and other medical services from neighbouring countries.



“The treatment plan is prepared online, and we already know what kind of treatment will be necessary before the tourist arrives in Georgia.”

NOVELTIES AND FUTURE PLANS

In 2018, the DENS dental clinic chain opened a cafeteria for patients at its head office. The cafeteria gives patients a comfortable space where friends and family can wait while the patient is undergoing treatment, or they can simply wait for their appointment and enjoy a cup of coffee while discussing their treatment plan with the doctor.

“We are leaders in periodontics and implant dentistry. We started using implants 20 years ago when this was all very new and no one else was doing it. Today, implant dentistry is a very successful and popular sphere in Georgia,” said Kochiashvili.

At DENS clinics, it is possible to have one's teeth pulled, dental implants placed and teeth restored in a single visit. There is also growing demand for digital implant technologies (also known as guided implant placement without incision). This is the latest method of implant placement, and patients do not have to suffer the discomfort of stitches and the 10-day wait to have them removed. The new method allows placement of implants without incision, which is very comfortable for patients, since they do not suffer from swelling, hyperaemia or

other inconveniences. The main advantage of this method is that the digitally planned implant axis is highly compatible with the axis of the natural tooth, which helps ensure that the implant will be long-lasting.

The periodontology unit specialises in the diagnosis of gum disease using digital methods, and the treatment is carried out based on Swiss Guided Biofilm Therapy (GBT) protocol.

DENS has its own dental technical laboratory, which allows the dentists to complete their work in the shortest possible time.

The clinics also have German standards for sterilization: all instruments are wrapped and autoclaved. The sterilized instruments are opened in front of the patient just before the beginning of treatment. DENS also has an ISO management standard, which means that all the offices offer services based on the same protocol and use the same materials.

As for warranty: “We take full responsibility for the dental services provided in our clinics, and we provide our patients with relevant warranties that come with mandatory recommendations which must be carefully followed in order to ensure the durability of the treatment. This approach increases our reliability,” said Kochiashvili.

The dental clinic chain plans to open a new office in the Saburtalo district of Tbilisi next year, which will be equipped with the latest technology, highly professional staff and an extremely pleasant environment for its patients. **F**



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IN THE COMMON SENSE OF STONES,
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based on What I Believe by J. Ballard*

Award Winning Brokerage

There are many advantages to operating under a well-established brand name. However, there are some hidden challenges that franchisees face, especially in small markets like ours, and there are twice as many unexpected challenges in the real estate brokerage business. Four years ago, the now-experienced broker Mariam Asatiani shared her ideas about developing the brokerage industry in Georgia and introducing a company under the management of Remax. The franchise idea worked well, and the numbers testify to this success. Remax Georgia started operating on the Georgian market in 2014, and in just four years, its franchise Remax Capital was recognized as the top performing brokerage among 7000 companies in more than 100 countries and was awarded second place among the REMAX offices in the world in commercial real estate transactions in 2017.

AUTHOR: ELENE CHOMAKHIDZE

PHOTO: JABA CHITIDZE



Our recipe for success is our focus on every detail relating to our customers. For instance, in order to properly select property for a vineyard, we studied the basics of winemaking. Just recently, in order to find suitable real estate for a currency-mining farm, we delved into the sphere of cryptocurrency," said Asatiani. I was fascinated by these words and Asatiani's obvious determination, and decided to look more closely into the activities of Remax Capital. This kind of approach has a major influence

on the development of any company. Her dedication has paid off, and the Georgian franchise of this renowned company (founded in Denver in 1973) managed to gain a strong foothold in the Georgian market. In a very short period of time, the franchise has assembled an impressive portfolio of private, investment, residential and commercial real estate.

The company owes its growing success mainly to its complex approach and innovative vision united around one idea, as opposed to a standard policy that focuses on a single field. In addition to real estate sales, Remax Capital offers its customers consultation services. Each broker employed by the company has taken a special American training program provided by Remax, and therefore their professional qualifications are in compliance with international standards. When it comes to the company's competitors, it is important to note that a lack of relevant knowledge and limited access to education

***"Speed, efficiency, results! Best in Class!
REMAX Capital showed outstanding results in
selling our residential and commercial property"***

*Nino Absandze
General Manager at Tbilisi Hills Golf & Real Estate*



are the most pressing problems in this sphere. It is far better to work with professionals who have received international-standard training, since a majority of other brokers are self-educated. The 45 years of experience that the company has through its network, which spans more than 100 countries, reinforces its reliability.

Remax Capital is the only international company in Georgia that has operated for four years, offering its customers brokerage services for commercial and residential real estate sales. As noted above, consulting is one of the main services that Remax Capital offers, which is an integral component of any brokerage service.

Consultations are much-needed both for property owners evaluating their properties, preparing them for sale and positioning them in the right segment, as well as for buyers. Consulting includes, but is not limited to, selection of the desired location and property and identification of business expectations and KPIs, particularly for investment properties. Remax Capital offers its customers a wide range of services by positioning itself on the commercial and premium-class residential

***„Professional consultancy,
outstanding brokerage service!
REMAX Capital helped us to find the
location for our first international
branded hotel in Tbilisi”***

Radoslav Dudolenski, IBIS Budget, investor

property markets. At present, 60% of the company's real estate is commercial and investment property, and 40% is residential property. As for real estate rental, it is divided equally between commercial and residential properties. In addition to its customer-oriented and knowledge-based services, one of the top advantages of Remax Capital is its up-to-date technology, which the company gained through its integration with a multiple listing system. The MLS' database and software enables local customers and brokers to access over 100 real estate markets around the world. Through this system, foreign

investors can access the Georgian real-estate market from their own countries and read information in their native languages.

In light of local and foreign investors' growing interest in Georgia in recent years, Remax Capital responded to demand by keeping its finger on the market's pulse. Remax Capital noted that recent growth rate in the hospitality industry has been quite fast, and the company has accordingly expanded its sale and rental services in this sector. There is also growing interest in buying rental property in Georgia, which has an annual return of more than 8%, one of the highest figures in both the region and Europe.

The performance of Remax Capital in the real estate brokerage sphere is exemplary, with an annual growth rate of 30%-35%. The company's achievements are notable not just in terms of the local market, but also in a global

context—in 2017, Remax Capital was awarded second place in the top five Remax offices in the world for its performance in the sale and rental of commercial real estate. In addition to the prestige this award bestows on the Georgian franchise, it represents a significant indicator for the health of the county's real-estate market. Remax Capital certainly has no intention of slowing its growth rate: on the contrary, the company has recently launched property management services, which means that in addition to the sale and rental of real estate, Remax Capital will be responsible for property maintenance, concierge and cleaning services, technical upkeep and so on. In the near future, Remax Capital plans to offer its customers a new service: apartments for daily rent.

Is it safe to say that Remax Capital is a bridge between investors and real estate potential in Georgia? Absolutely, and feedback from investors who use the service confirms this. Besides, numbers never lie, and through these numbers we can easily see the company's annual success in the sale and rental of both commercial and residential property.

"Nobody in the world sells more real estate than Remax!" This slogan is based on facts, the reputation and the expertise of this company. With every year, Remax continues to justify its slogan. 

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*Ruska Chakvetadze
Area Manager at Regus, Global Workplace Provider*

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INVESTING

INTERVIEW





A NEW STANDARD

The project, which started with eight hectares, has grown almost six times bigger and is being developed in five stages. The current estimates suggest that in the next 10 years, investment will go far beyond 1 billion USD. Shahin Movsumov is interested in other spheres as well, and is examining Georgia's potential closely.

AUTHOR: ELENE CHOMAKHIDZE
PHOTO: KHATUNA KHUTSISHVILI

"A PERSON HAS TO REALIZE AT THE EARLIEST AGE POSSIBLE, THAT HE HAS TO DO EVERYTHING ON HIS OWN," this is Shahin Movsumov's life motto. He believes that success in business suggests consistent self-development: travel, learning, diligence and most important: caring for your reputation. In his opinion, a true businessman is a risk-taker who is not afraid of taking risks and managing them properly.

He embraces the future without any fear. Movsumov said that in this era of technological progress, a range of industries that have thrived for the past 50-100 years may simply cease to exist. They will be replaced by new industries associated with alternative energy sources, eco-friendly vehicles and space discoveries. Movsumov is convinced that a businessman must be prepared for changes and should not fear that something might not work or might end in failure. Movsumov believes that everything that is old leads us to build new things.

It was this strong desire to create a new standard that prompted the entrepreneur to launch the project DIRSI in Georgia. He continues to manage its long-term investment to this day, and is actively engaged in identifying new sectors to diversify the project.

Shahin Movsumov shared information regarding his current and future projects with Forbes Georgia readers.

Welcome, Mr. Movsumov. Let's start our conversation from the very beginning. You are a lawyer by trade. What made you chose this profession?

Frankly speaking, I went with the tide. In the 90s, being a prosecutor was all the rage. I graduated from the faculty of law and worked at the prosecutor's office for quite a long time. In 2000, I decided to resign. I realized it was time for me to determine my course in life: did I want to continue working in the public sector or switch to the private sector? I opted for business, and from today's perspective, I made the right choice.

I would like to ask you: why business?

The 90s were a turning point not only for Georgia and Azerbaijan, but also for the entire region. The Soviet Union had collapsed, and it was clear that all post-Soviet countries—including Georgia and Azerbaijan—were headed towards capitalism. A new form of governance was gradually taking shape, and I knew for certain that in this new arrangement, the future belonged to those who were capable of managing businesses. I had the skills to lead my own business effectively.

Where did you start and what were the difficulties of starting a business at that time?

A lot of opportunities started to emerge after the collapse of the Soviet Union, and we tried our chances in every sphere—metal, leather. It was a difficult time and we managed to survive because we were running different businesses simultaneously: bartering diesel oil and scrap metal, selling reinforcement steel in Iran—we tried everything.

At this point you own a large corporation with many companies—was this your goal when you started your own business?

There is this widespread opinion among most people that the goals of any businessman or businesses in general are necessarily associated only with money. In fact, there are very few people in the country who can be safely described as risk-takers, in other words, people who are willing to take risks and invest in spheres that will contribute to the economy of their country. They are leaders. We believe that the strength of any country rests on the businessmen who are capable of taking risks, creating jobs, developing their country and making it more attractive. We have approximately 4,000 employees in our holding today. My goal in regard to any sector has always been to do something that I have seen and liked abroad. I travelled a lot: I lived in China and Italy. Every time I noticed something interesting or innovative while visiting or living



in another country, I always asked myself one question: "Why can't we do the same thing? Why can't we create the same thing in our country?" My curiosity and goal-oriented nature have always been my guarantee of success. We are not inventing a bicycle. We are examining examples in the United States, Italy and other countries and building our business on their experience. We do our best to benefit the country and ourselves. Trust me, a person does not need a lot in his life. As time goes by, you realize that what matters most is the legacy that you leave behind for the next generations and how you contribute to their progress. This represents the most important factor in my business activities. It does not really matter where I am doing business: in Azerbaijan or Georgia my goal is to do the right thing and not focus only on profit.



It would be interesting to hear how the DIRSI project fits in with your philosophy on business.

In regard to the project “DIRSI,” we could have built more houses and consequently made more money, by that was not our main goal. A lot of people made fun of us when we decided to develop this land, since it used to be a trash deposit location. But since we had already seen a similar thing abroad, we knew that this land in Tbilisi, near the bank of the Mtkvari River, would be the perfect location for our project. We did our best to create a comfortable environment for the local community. We are building a boulevard and a tennis court with our own funds. We want to introduce a new lifestyle. I haven’t come to this country just to make money: I want to make my contribution to the development of Georgia.

DIRSI is a project where people feel safe. It incorporates a kindergarten, supermarkets and a 20 km bicycle and jogging lane.

We understand that everyone strives to ensure comfortable lives for their children. DIRSI ensures that you are not simply buying a house or an apartment, or four walls. The world has changed: you are buying comfort, lifestyle and security. This is a much better offer. Regrettably, the majority of our buyers are from abroad—Georgians do not fully comprehend this new concept, since it takes time. The young generation must receive education, travel abroad, acquaint themselves with other styles of life, and return to Georgia to say: “Yes, this is the project of the future.”

That is true indeed, since the quality of your life and the quality of your children’s lives is of utmost importance



to us. It is important that you breathe fresh air and are still five minutes away from downtown, that you have bicycle and jogging lanes, tennis courts, shops, cafes and can feel safe. This is just the beginning: the boulevard is now 1 km long, but we intend to extend it to 4.5 km.

It takes time to develop a project. A standard-thinking businessman does not normally step into such a project, because it is a long-term project that does not produce instant profit. Naturally, the companies that embark on such problems are not focused only on money. This is the future, this is exactly what people will come to appreciate in a few years and say: "Yes, this is a company that focused on well-being, cosiness and the best environment." One cannot accomplish this in a day. That is why we plan to stay here for a long

time. There might still be some scepticism, but we understand it takes time for people to gradually realize and appreciate the real concept and content of the DIRSI project.

We will probably see a return on investment some ten years from now, and that will be our recognition. There are a lot of people who are capable of self-deception as long as they can make fast money. I believe that reputation is the most important thing in a person's life, and I believe that the good name of our company will have a long-term positive impact for us.

Why Georgia? What was the competitive advantage that you, as a long-term investor, found in Georgia?



When we started thinking about this project, we considered several countries, including Russia. However, when I arrived in Georgia, I saw that your country was on the right path towards development: your country was moving towards Europe. In the beginning, the volume of our investment was considerably smaller than it is now: the progress made by Georgia prompted us to increase the volume of investment, and even more so—we decided to invest all our money in Georgia. We did not launch any projects in other countries.

Georgia has always been Azerbaijan's strategic partner. Our current president has always said that Georgia is the best partner for Azerbaijan in the entire region, and that Azerbaijan's investments should be targeted at Georgia.

Our expectations were justified: our project in Georgia is successfully developing. It should be noted that our project was strongly supported by both the previous and current governments. As you know, the government of Georgia changed while the project was in progress, and we are delighted to say that the support of the new government is even greater than from its predecessor.

The business environment today is much more democratic and transparent compared to in the past. We are even more motivated to launch other projects in Georgia, and we plan to do so. We have projects in both the construction and agricultural spheres. At the same time, obviously we plan to continue developing the DIRSI project. We started this project with only eight hectares,

and now the project has expanded to 46 hectares. The project will be implemented in five stages: this will be a city within a city with 750,000m² of residential space. The project will complete in 2028, and it will accommodate 25,000 residents on 10 hectares of park land.

As our interview draws to an end, could you share with us more details regarding your future plans and new projects? We have heard that you are interested in agriculture.

We have recently opened an AgroPark in Azerbaijan. We built a greenhouse on 15 hectares of land. What I am trying to say here is that we have gained experience in this sphere. We sell tomatoes and strawberries. Some of these strawberries are also exported to Georgia, but

IT DOES NOT REALLY MATTER WHERE I AM DOING BUSINESS. MY GOAL IS TO DO THE RIGHT THING AND NOT FOCUS ONLY ON PROFIT

mostly our products are sold in Russia. We want to build greenhouses in Georgia as well, and hopefully this project will launch in the near future. Negotiations are underway, and we are currently looking for an appropriate location for the project.

As for the DIRSI project and our other plans in the construction sector, we are currently in the second stage of developing DIRSI, which implies building 2,600 apartments. Two 40-story 'skyscrapers' will be built, and the next stage involves the construction of an additional 180,000 m² of residential space. The investment value of the fourth stage of the project will be 1 billion USD, and we intend to build Italian-style villas. Other investors are becoming interested in the DIRSI project, and we are engaged in negotiations with them.

We want to embark on other projects as well, and we are currently in the process of examining potential. However, these projects obviously will not be as large-scale as the DIRSI project. We understand the value and significance of our main project for the country. With this long-term investment, we are introducing a modern lifestyle in Georgia—this is a new standard. 



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GREENER VISION

The purpose of Lisi Development is much more than the construction of buildings and their surrounding environment. Using “greener thinking,” the company provides not only a modern living style and refined architectural complex, but also a brand-new environment for ecological and healthy living in Georgia. Because of its absolutely outstanding and original concept, Lisi Development has won International Property Awards, the European CEO’s Nomination for Best Green Developer 2016 and different local awards in recent years.

By: Elene Chomakhidze

Founded in 2010, Lisi Development is already in its eighth year of the project Lisi Green Town, which includes developing up to 355 hectares around Lisi Lake. Despite the fact that the micro city is a 15-minute drive from the city center, the ecological environment of Lisi Green Town is different because of its higher altitude. One of the outstanding advantages of the project is that it’s only a 10-15 minute walk from Lisi Lake, which has some of the most interesting and diverse fauna in Tbilisi. Living near Lisi Lake is pleasant and healthy, especially since Lisi Developments’ initiation of Lisi recreational area development. This project includes sports facilities, as well as other leisure facilities, such as the Hard Rock Café and other private café brands. In addition to ecological cleanness and various entertainment facilities, the area surrounding Lisi is convenient for living. Multiple educational institutions are located nearby, such as The Guivy Zaldastanishvili American Academy and the British-Georgian Academy.

The project is interesting not only due to its buildings and recreation zones, but also because of its general concept. The micro city’s design is unique, due to its outstanding architecture, the quality of its building materials and its low population density. As for its impressive design concept, 80/20 means



that 80% of the land is used for recreational areas, greenery and additional infrastructure, while only 20% is dedicated to living units. In the case of living units, the project integrates the following building types: apartment blocks, townhouses and villas. The apartment buildings are a maximum of five stories tall, and contain multiple apartments. There are about ten different designs of these apartments, ranging from 55 m² to 200 m². Townhouses are a completely new style of residential building in Georgia. There are several different townhouse designs tailored for the project, ranging from 170 m² to 240 m². Each of them has its own yard. Last but not least, Lisi Green Town will construct three villas with individual designs and courtyards, which will measure 300 m² to 475 m².

If you ask what the main challenge is today, the answer will probably be ecology. Greener visions are especially deficient in developers. Hence, the competitive advantage of Lisi Green Town is the company’s vision and approach as expressed in its geographical location, parks and recreation centers. All the trees and plants are specially imported from Europe, mostly from Italy. The environment is compatible with a European lifestyle, but this is not the end of the eco-development: an additional four recreation zones will be built in the near future on the territory of Lisi Green Town. The 15-member gardening team currently takes care of every tree and plant on the premises in order to maintain their perfect condition. Along with the quantity of parks and plants, the gardening team will also grow.

Obviously, Lisi Development has a long-term development plan, and another feature of this plan is the construction of Lisi Green Tower, a new residential building with vertical gardening and therefore vertical irrigation systems. The 11-storey tower will contain 23 apartments with spectacular views over the Mtkvari River valley, three retail units suitable for small businesses and an underground car park for the residents.

This environmentally-conscious approach to development is recognized as an exemplary direction. It is good to know that in the post-Soviet space there is a place where residential projects are going green as ecologically as they can.



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Great Steppe Heritage

UNESCO sites to visit in Kazakhstan.

TEXT BY ANTON KALMYKOV

The Republic of Kazakhstan is a country where local heritage is key to the cultural code. Beyond that, the ninth-largest country on the planet is considered the heir to cultures and civilizations that make scientists and archeologists rewrite history books with each new excavation.



CULTURAL PROPERTY

There are three Kazakh UNESCO World Heritage sites included on the list on the basis of their cultural heritage.

• **The Mausoleum of Khawaja Ahmed Yasawi (2003*)**

A table-tomb, lifted over the grave of the poet and preacher Khawaja Ahmed Yasawi, is situated in the ancient town of Turkestan in the South Kazakhstan Region. The complex is the central landmark at the historical and cultural reserve museum.

The modern museum was constructed on the grave of the Sufi poet, who had a sizeable following among the Muslims of this region, and had an important impact on the development of Islam in Central Asia in general. He died in 1166 and was buried with great honors in a small mausoleum. The mausoleum that now houses his remains was built 233 years after his death, on the orders of the Turkic military leader and conqueror Tamerlane. In 1395 Tamerlane beat the ruler of the Golden Horde, Tokhtamysh, and burnt down his capital, Saray-Berke. In honor of this victory, Tamerlane decided to build a new monumental memorial complex on the site of the old one.

The mausoleum is considered a primary example of ancient architecture. Many of the techniques used for its construction—the building does not contain a single nail—remain a mystery even in the 21st century. The building itself is acknowledged as a masterpiece of human genius, and its unique mosaic is regarded as an exceptional example of ancient craftsmanship.

• **The Tamgaly petroglyphs (2004)**

Tamgaly is an archeological site located in the Anrakay Mountains, 170 km northwest of Almaty. This is one of the oldest and most impressive examples of rock carving in Semirechye, a geographic area of Central Asia. This unique valley, which was the cradle of many steppe civilizations, is also home to a temple with many petroglyphic drawings, which was discovered in the 1950s.

The total number of rock carvings in the main canyon is around 2,000. All of them can be nominally classified into seven groups: engravings of sun-headed gods, masks, warriors carrying clubs, wedded couples, women in labor, hunting scenes and oxen sacrifices. Images of chariots are rare. Archeologists often focus on the numerous solar representations.

The majority of the petroglyphs date from the Bronze Age. The carvings in the animalistic Saka style are



mostly located separately from more ancient petroglyphs, but in some cases they supplement or even cover them. Medieval petroglyphs are carved into the surrounding bald peaks. The central complex distinguishes itself with the densest concentration of petroglyphs and what some claim are altars, supporting theories of this place's ceremonial use.

• **The Silk Road sites of the Chang'an-Tianshan Corridor (2014)**

During the 38th session of the UNESCO World Heritage Committee, a landmark decision was made to add not only the Silk Road itself to the list, but also the majority of the ancient settlements which appeared nearby.

In addition to sites in China and Kyrgyzstan, eight Kazakhstani spots were included on the extensive list of cities that flourished beside the Silk Road: Kayalyk, Karamergen, Talgar, Aktobe, Akyrtas, Kulan, Kostobe and Ornek. All of them are situated in two areas of Kazakhstan, the Almaty and Zhambyl Regions. According to archeological research, Karamergen is the biggest and northernmost medieval city from the agricultural civilization that emerged between the 12th and 13th centuries in the Ili River Delta. Akyrtas, according to one theory, is either a Buddhist temple or a castle complex.

BEAUTY OF NATURE

A significant part of the UNESCO World Heritage List is made up of natural areas, the preservation of which is an important mission for humanity. There are two nature reserves in Kazakhstan which have already been recognized by this list, and six more areas have been nominated for this category.

** Years in parentheses indicate year of inclusion on the UNESCO list.*



• **Saryarka - steppes and lakes of Northern Kazakhstan (2008)**

This is the very first “biosphere reserve” on the World Heritage List in Kazakhstan and Central Asia. This natural area consists of two national reserves located on the steppe, Korgalzhyn and Naurzum, which together have a total area of 450,344 ha.

The nature reserve includes two groups of lakes with fresh and salty water, situated at the Continental Divide between the rivers flowing to north to the Arctic, and those going south to the Aral Sea. This area is ecologically important because it contains the most popular resting points for the millions of birds which regularly migrate from Africa, India and southern Europe to their breeding grounds in western and eastern Siberia. These wetlands support populations of endangered species, such as the white crane, greater flamingo and white-tailed eagle. 200,000 ha of distinctive, untouched Central Asian steppe constitutes part of the site, and is a habitat for more than half of the regional steppe flora, as well as the Saiga antelope.

• **Western Tian Shan (2016)**

Including this huge geographic zone on its list was one more step UNESCO made to acknowledge unique natural areas as part of humanity’s shared heritage. Uzbekistan and Kyrgyzstan are responsible to future generations for preserving the flora and fauna of this mountainous reserve along Kazakhstan’s southern border.

Kazakhstan demonstrated its intention to protect this area by establishing two nature reserves and one national park. The Aksu-Zhabagly Nature Reserve

HERITAGE OF MANKIND

In 2017, the Kazakh national game Assykatu, a game played with talus bones, was put on the intangible cultural heritage list. This unusual list also includes the following entries for Kazakhstan:

- The art of performing Dombra Kuy and the national wrestling sport “Kazakh kuresi”;
- Skills at yurt-making and a type of improvisational oral poetry called aitys or aitysh (in Kazakhstan and Kyrgyzstan);
- The celebration of Nauryz (besides Kazakhstan, the spring equinox is considered a national treasure in 11 other countries);
- Falconry (17 other countries included, apart from Kazakhstan);
- Flat Turkic bread (recognized in five countries).

In 2016, Kazakhstan announced its intention to send UNESCO an official request of inclusion for the country’s main archeological sites (the ancient cities of Sygnak, Otyrar, Sauran and Sarayshyk) on the World Heritage List.

was founded as early as 1926, and is the only place where the famous Tulipa Greigii naturally grows. In the Karatau Nature Reserve one can find the Red Book listed Indian crested porcupine. The Sayram-Ugam National Park is the most exceptional in the country: seven natural zones, from steppe to high mountains, are located there.

Environmentalists believe that Kazakhstani authorities were able to protect the snow leopard population in Tian Shan due to the special status of these nature reserves. **F**