



CONNECTING BUSINESS PARTNERS FROM GEORGIA AND THE EU

Trade Mission in the Apparel Industry

A Cooperation Project between GIZ and SUSA in the framework of the EU4Business Programme
September – October 2017



The European Union
for Georgia
EU4Business



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Introduction

About the Project

“SME Development and DCFTA in Georgia” Project assists Georgian small and medium-sized enterprises (SMEs) to become more competitive and adapt to the new regulatory environment created under the free trade agreement with the EU (DCFTA). The project is co-financed by the European Union (EU) and is a part of its EU4Business Programme (www.eu4business.eu). The project is carried out through the Private Sector Development and TVET South Caucasus Programme implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of German Federal Ministry for Economic Cooperation and Development (BMZ).

For establishing trade connections between Georgian apparel producers and EU buyers the project team jointly with Enterprise Georgia LEPL will organize and conduct an inbound and an outbound trade missions for Georgian apparel producers and EU buyers.

The main objective of this activity is matching Georgian with EU companies for the purposes of establishing and fostering business linkages oriented on promotion of Georgian exports or joint venture with European companies.

Outbound Mission

European buyers will meet and host Georgian apparel producers in September 2017. Georgian producers will come for 5 days to EU/Germany and will get an opportunity to meet potential European buyers to build business relations.

Inbound Mission

The European companies will visit the capital of Georgia Tbilisi for 3 days in October to experience business opportunities in the Georgian market. During these days European buyers will have an opportunity to

- ▲ Visit apparel factories including factory tour and meeting management of the factories
- ▲ Meet relevant Georgian Ministries and Entities (Ministry of Economy and Sustainable Development, Enterprise Georgia LEPL)

Both international and local consultants will accompany EU companies during their visit to Georgia and in their communication with Georgian companies.



About Enterprise Georgia

Enterprise Georgia LEPL is the State Agency under the Ministry of Economy and Sustainable Development of Georgia.

Enterprise Georgia is a main state institution responsible for the private sector development support in Georgia. The Agency has recently been restructured and has three main areas of work:

- ▲ Business
- ▲ Export
- ▲ Investment

Under the Business component, companies registered in Georgia have an opportunity to benefit from Access to Finance support (low cost loans up to 5 mln national currency and micro grants for SMEs operating in regions) provided by the Agency. Under the Export component, companies are able to receive assistance in skills development, international markets access, technical assistance and participate in round table policy discussion. The *Investment* component of the Agency works on investment promotion of Georgia to attract more FDIs to the country, as well as supports and facilitates a communication process of existing investors with different Ministries and Agencies of the Government of Georgia.

Apparel industry is a priority sector for Enterprise Georgia and it closely cooperates with Georgian apparel manufacturers in order to support them in internationalization process and provide the needs based assistance in different directions. The Agency has implemented portfolio management system and each priority sector has a Portfolio Manager.

The Agency is a proud partner of GIZ in Georgia with many successful cooperation projects and cases in Georgian private sector development support.

In case of any questions regarding Georgian apparel industry, Marian Turnava – Portfolio Manager will be more than happy to answer to your queries.

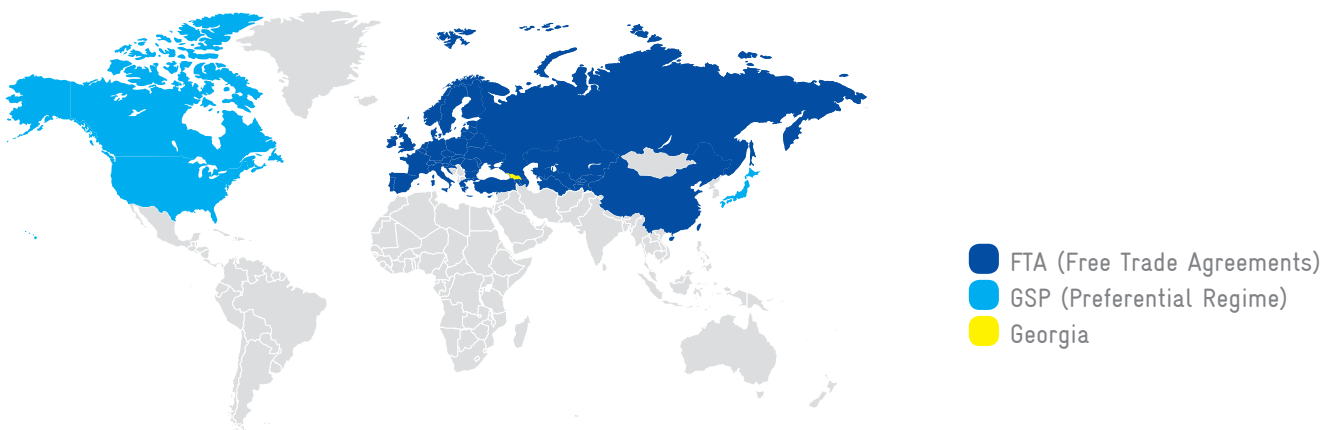
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Opportunities in Georgia

- **Political situation:** Since regaining its independence in the early 1990s, Georgia has become the regional champion in terms of reform, economic development and progress regarding democratic institutions.
- **Location:** Located at the crossroads of Europe and Asia, and being the shortest transportation route between the two regions.
- **Operating costs:** Georgia has an improving and more stable political and business climate, relatively low operating costs and an increasingly supportive government.
- **Legislative framework:** Georgia has one of the lowest and most manageable tax regimes in the world. According to 2009 Tax Misery & Reform Index, released by Forbes Business & Financial News, Georgia is the fourth least tax burden country after Qatar, UAE and Hong Kong. Georgia has a modernized system of licenses and permits. According to the World Bank Ranking in Ease Doing Business*, Georgia is occupy 16-th place among the 190 countries in the World.
- **Trade agreements:** After signing the Deep and Comprehensive Free Trade Agreement with the EU (DCFTA, entered into force since July 1, 2016), Georgia embarked on its journey towards European integration. Georgia has Free Trade Agreements (FTA) with CIS countries and China as well as with the European Free Trade Association (EFTA) that include Switzerland, Norway, Liechtenstein and Iceland. Georgian has also a Preferential Regime (GSP) with USA, Canada and Japan.
- **Import and export regulations:** Regarding import and export regulations, Georgia offers several benefits as low import tariffs, few export and import licenses and permits, no quantitative restrictions on import and export, no customs tariff on export and re-export and simplified export and import procedures.
- **Governance:** According to the Transparency International Global Corruption Barometer Georgia is perceived as a corruption free destination.

* The ease of doing business index is an index created by the World Bank Group. Higher rankings indicate better, usually simpler, regulations for businesses and stronger protections of property rights.



The Apparel Industry

Georgia has a strong tradition of apparel production, which was highly developed during the Soviet area. It has a long established practice and significant experience in the production of wool and silk. Apparel produced at Georgian factories was distributed throughout the Soviet Union. After almost 20 years of stagnation, the apparel industry is growing to old strengths with modern factories that meet European standards, high-quality products and designs for high-end brands. This development is currently actively supported by the Georgian government.

Currently all apparel producers are at the *CMT (Cut, Make and Trim)* stage. Considering an increase in the level of fashion power in Georgia and the potential introduction of proper Public Private Partnerships Initiatives, it is possible to stimulate further development of the industry into the upper stages such as *ODM (Original Design Manufacturing)* and *OBM (Original Brand Manufacturing)*.



One of Georgia's strengths is its geographically close proximity to Europe. Many of its customs clearance terminals offer state of the art online clearance services. The government of Georgia also invested resources in the development of the country's infrastructure. With two seaports (*Poti and Batumi*) and the upcoming Anaklia port, three international airports (*Tbilisi, Kutaisi and Batumi*) and

a developing national highway system, the country offers favourable conditions for apparel producers that need easy access to the main transportation means. The traditionally used land transport by truck via Turkey to the EU, sea transport from Poti and Batumi to Romania or Bulgaria is an increasingly competitive option for the shipment of goods.



The factories

Many factories presented in this guide just started their business. They are still in the orientation phase and are willing to improve themselves constantly. With the current project the factories will be prepared to pass the BSCI audit to be compliant with European social standards.



Factory Profiles

MPT Georgia

Apparel Production

-  Address: Tbilisi, Gorgasali 109
-  Phone: +995 599163191
-  Mail: Misha@mpt.ge
-  Website: in progress
-  Contact Person: Mikheil Getia | Owner / General Director

Production



Company History

MPT is working in the apparel industry sphere. Company was founded by Per Egebjerg (MID Pro Tex A/S) and Mikheil Getia, who has 10 years of experience in the apparel industry sector. From 2007 to 2011, he worked at the Danish company Madsen Textile as a Company Manager. From 2011 to 2015, he worked as a Manager at the Georgian Textile Group (GTG). In 2016, Mikheil Getia, together with MID Tex A/S decided to establish a new company which was oriented on fulfilling orders for the MID Pro Tex A/S, in partnership with DK company (Denmark) – one of the biggest textile wholesaler in Denmark.

Key Data

Registration: 13.10.2016

No. of employees: 36

Average wage: 600 Gel/month

Main Products

- ▲ Dresses
- ▲ T-shirts
- ▲ Pants
- ▲ Skirts
- ▲ Blouses
- ▲ Jumpsuits

Production Capacity

Per month

Dresses	15.000 pcs.
T-shirts	35.000 pcs.
Trousers	20.000 pcs.

Min. order (per month)	500 pcs.
Max. order (per month)	30.000 pcs. (depending on model)

Additional Services

Logo labels & care labels	yes
Pattern	yes
Sampling	yes
Grading	yes
Digital printing	no
Screen Printing (water based)	yes
Weaving	yes
Embroider	yes

- ▲ Working with all types of knitwear

Major Markets

Sales markets: Denmark, Canada, Norway, Germany, Switzerland, Great Britain, Sweden

Supply of fabrics and accessories: Denmark, Turkey, Lithuania

Certificates and Planned Certifications






- ▲ BSCI (conducted in May 2017)
- ▲ Oekotex 100 class 1

Company Objectives

- ▲ To improve working conditions for our employees
- ▲ To expand our production
- ▲ Establish the partnership with the state funding programs

Eurotex LLC

Apparel Production

-  Address: Tbilisi, Ninua 3
-  Phone: +995 597134408
-  Mail: veronikaeurotex@gmail.com
-  Website: www.facebook.com/eurotexgeo/
-  Contact Person: Veronika Blakunova |
Personal Assistant to Director

Production



Company History

GEO-M-TEX LLC was established in 2015. The company received additional funding from the state program "Produce in Georgia" in amount of 3 million GEL. This investment was used for renovation of the production building and purchasing of the additional machinery and equipment. In March 2012, a representative of EGERIA Group Marina Blakunova visited Tbilisi in order to identify local companies from the apparel sector which have capacity to produce products for the European market. Marina Blakunova started cooperation with different factories, among them with GEO-M-TEX LLC. Further on it was decided to establish a new company which will manage the factory owned by GEO-M-TEX LLC. As a result there was registered a new company - EUROTEX LLC, which took over management of the factory owned by GEO-M-TEX LLC. EUROTEX LLC is at 100% owned by EGERIA Group. Currently, EUROTEX manages the company's day-to-day operations and is responsible for production, marketing and sales of the company products. EUROTEX started production of own models developed by Georgian designers under its own brand and will sell it on the local market.

Key Data

- Registration: 2015
- No. of employees: 355
- Average wage: 400 Gel/month

Main Products

- ▲ Coats
- ▲ Down jackets
- ▲ Trousers
- ▲ Dresses
- ▲ Skirts

Production in 2016

Total units	45 768 pcs.
Coats	45 418 pcs.
Trousers	350 pcs.

Additional Services

Logo labels & care labels	in planning
Pattern	yes
Sampling	yes
Grading	yes
Digital printing	yes
Screen Printing y	es
Weaving	in planning
Embroider	yes

- ▲ Program-constructor Morgan "Atelier 3D"
- ▲ Automatic cutting machine
- ▲ Adjusting the rough model to the production process
- ▲ Flexibility while working with clients
- ▲ Stable & skilled staff

Major Markets

Sales markets: Europe, America

Supply of fabrics and accessories: Italy, Switzerland

Certificates and Planned Certifications

- ▲ BSCI (planned)
- ▲ ISO 9001 (planned)

Company Objectives

- ▲ Expand knowledge about environment-friendly production
- ▲ To attract more clients
- ▲ To employ 1000 workers

Elselema Ltd.

Apparel Production

-  Address: Tbilisi, Guramishvili 64a
-  Phone: +995 322475232
-  Mail: elselema@yahoo.com
-  Website: www.elselema.ge
-  Contact Person: Levani Mamasakhlisi | Director

Production



Company History

ELSELEMA Ltd has two factories, one in Tbilisi where 150 people are employed and the second in the town of Lanchkhuti. Lanchkhuti's sewing factory currently is under reconstruction. After finishing the reconstruction works, 120 tailors will be employed in the factory. Besides the apparel business, ELSELEMA is also an official representative and distributor of the German company PFAFF (Industrial sewing machines), Swiss company BERNINA INTERNATIONAL AG (Family sewing and embroidering machines) as well as representative and distributor of German company MADEIRA Garne (sewing and embroidering threads.) in Georgia.

Key Data

Registration: 1992
 No. of employees: 150
 Average wage: 400 Gel/month

Main Products and Data

- ▲ Uniforms/workwear
- ▲ Water proof clothing (Gore-Tex)
- ▲ Capes and cloaks
- ▲ Winter clothes
- ▲ Knitwear for men, woman and children

Production in 2016

Total units	54 410 pcs.
Pullover	26 400 pcs.
Coats	7 000 pcs.
Shirt	7 500 pcs.
Min. order	500 pcs.
Max. order	xx pcs. (depending on the item)

Additional Services

Logo labels & care labels	yes
Pattern	yes
Sampling	yes
Grading	yes
Digital printing	yes
Screen Printing	yes
Weaving	yes
Embroidery	yes

- ▲ Finalizing and adjustment of a row model
- ▲ Sourcing materials and accessories from the EU
- ▲ Knitting
- ▲ Packaging

Major Markets

Sales markets: Georgia, Italy, Czech Republic, Switzerland, Turkey

Supply of fabrics and accessories: Turkey, China, Germany and the UK

Certificates and Planned Certifications

- ▲ BSCI Audit (planned)
- ▲ ISO 9001

Company Objectives

- ▲ Construct the factory in Lanchkhuti and employ 150 new workers
- ▲ Improve the working conditions for our employees
- ▲ Train new tailors
- ▲ Attract new clients
- ▲ Gain new contractors and clients, which will produce in our factory

Fashion House Materia Ltd.

Apparel Production

-  Address: Tbilisi, Kote Apkhazi 22
-  Phone: +995 322996818
-  Mail: info@materia.ge
-  Website: www.materia.ge
-  Contact Person: Lado Giorgadze | CEO,
Salome Mikashavidze | PR & Marketing Manager

Production



www.sus-a.com



www.sus-a.com

Company History

Fashion House Materia is a premier manufacturer of custom sewn goods in Georgia. Materia label is comprised of the Signature Ready-to-Wear collection, Made-to-Measure and Materia uniforms & apparel. Fashion House Materia has more 12 years of experience with providing customers with the advice and expertise of our employees. Company also specializes in sample making, pattern making, grading, marking, cutting, sewing, embroidering, and fabric sourcing.

In addition to the massive production, company has two own brands - "Materiel" and "Dots".

- ▲ "Materiel" is Georgian designers' premium brand since 2012. By creating a venue for artistic self-expression. "Materiel" helped the advancement of the Georgian fashion scene and aided the cultivation of talented Georgian designers who previously lacked the domain of artistic particularization.
- ▲ "Dots" is Contemporary Brand since 2016. It is a new Georgian fashion brand that is offering unique concept of young and talented Georgian designers creating brand-new and innovative collections for domestic and foreign customers. "Dots" is dedicated to stunning, functional style with affordable prices.

Key Data

Registration: 2005

No. of employees: 193

Average wage: 600 Gel/month

Main Products and Data

- ▲ Uniforms
- ▲ Sportswear
- ▲ Fashion and contemporary man and woman upper wear

Production in 2016

Uniforms	180 000 pcs.
Materia Sport	6 300 pcs.
Fashion and contemporary man and woman upper wear	14 400 pcs.

Min. order	Max. order
Tops - 1 000 pcs.	30 000 pcs.
Shirts/Pants - 500 pcs.	25 000 pcs.
Skirts - 500 pcs.	40 000 pcs.
Blazers/coats - 300 pcs.	8 000 pcs.
Jackets - 300 pcs.	10 000 pcs.
Dresses - 500 pcs.	25 000 pcs.

Additional Services

Logo labels & care labels	yes
Pattern	yes
Sampling	yes
Grading	yes
Digital printing	yes
Screen Printing	yes
Weaving	yes
Embroider	yes

- ▲ Capability to sew, knit, and weave denim and specialty fabrics
- ▲ Producing all categories from everyday wear to bridal wear
- ▲ In-house designer

Major Markets

Sales markets: Georgia, Russia, Armenia, USA, Italy, Kuwait, Belarus, Ukraine. Two ecommerce platforms (www.materieltbilisi.com; www.dotstbilisi.com) with worldwide delivery.

Supply of fabrics and accessories: Turkey, China

Certificates and Planned Certifications

- ▲ BSCI Audit (planned)
- ▲ ISO 9000 (planned)

Company Objectives

- ▲ Maintain and improve strong brand image
- ▲ Focus on foreign markets

Textile Company IMERI

Apparel Production

-  Address: Kutaisi, L. Asatiani Str. 135
-  Phone: +995 431 220708/225499
-  Mail: imeri.jsc@gmail.com
-  Website: www.imeri.ge
-  Contact Person: Maia Simonidze | Chairwoman of the Supervisory Board

Production



Company History

Textile company IMERI has almost 90 years' experience of working in the textile industry. The company was founded on September 27, 1928. Company is mainly oriented on production of ladies' and men's garments. For the last 20 years the company exports 95% of its output to the European Union market. On August 26, 1996 the former state enterprise was registered and transferred into a Joint-Stock Company. Since 2011, the factory produces women's and men's clothing for the local market as well. Currently, IMERI owns three shops, two of which operate in Kutaisi and one in Tbilisi. Since 1997, IMERI cooperates with the German company LEBEK International Fashion GmbH & Co KG which is still one of the factory's main partners of IMERI. Since 2012, IMERI has been collaborating with Italian company EGERIA Ltd. which became one of its main partners. Currently, IMERI employs ca. 500 workers including administration, controllers, supervisors, workers and other employees. It plans to employ 150-200 workers additionally for a lately renovated and newly equipped facility in Kutaisi.

Key Data

Registration: 26 August 1996

No. of employees: 480 (including administration and other employees)

Average wage: 400 Gel/month

Main Products and Data

- ▲ Suits
- ▲ Dresses/skirts
- ▲ Shirts/T-Shirts
- ▲ Shorts/Trousers
- ▲ Coats/Jackets/Cloaks, Raincoats
- ▲ All kinds of uniforms (school, military, workwear)

Production Capacity

Min. order	2 000 pcs.
Max. order	15 000 pcs.

Additional Services

Logo labels & care labels

Pattern	yes
Sampling	yes
Grading	yes
Digital printing	no
Screen Printing	no
Weaving	no
Embroidery	no

- ▲ Automated design system
- ▲ Modern “Geber” technology equipment for modelling, grading, designing
- ▲ Development of a retail network for company’s products

Major Markets

Sales markets: Georgia, EU (Germany, Italy)
 Supply of fabrics and accessories: Germany, Italy,
 Turkey (for local market production)

Certificates and Planned Certifications

- ▲ WRAP Certificate
- ▲ BSCI Audit (planned)

Company Objectives

- ▲ Establishing long term business partnerships with European customers
- ▲ Development of its own brands

Contact Us

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