

A photograph of an industrial facility, likely a refinery or chemical plant, featuring several tall, cylindrical towers and a complex network of pipes and metal walkways. The scene is set against a clear, light blue sky. The towers are primarily white or light grey, with some darker sections. The pipes and walkways are made of metal, with some painted yellow for safety. The overall impression is one of a large-scale, modern industrial operation.

INDUSTRIAL ZONES

OF CAUCASUS AND CENTRAL ASIA

Better never settles



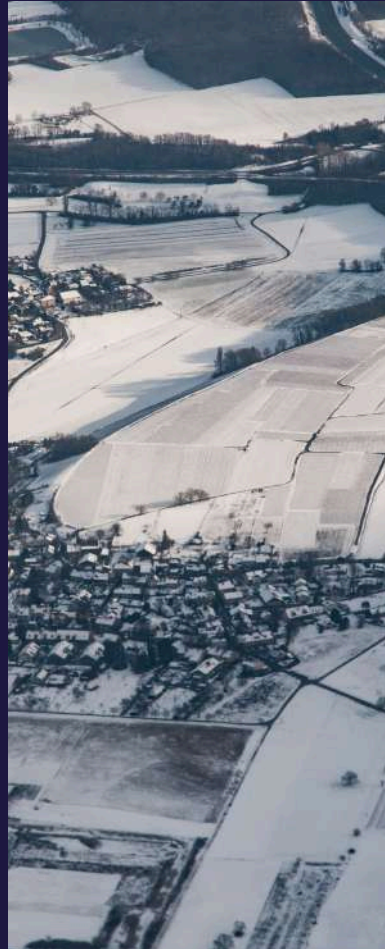
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VERITAS

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INTRODUCTION

Industrial Zones

Industrial zones play a key role in the development of economies around the world, acting as catalysts for industrial growth and innovation. In recent years, there has been a steady increase in the number of such zones, especially in developing countries, where they contribute to economic diversification and job creation. In the countries of Central Asia and the Caucasus, industrial zones are becoming an important tool for attracting foreign investment and stimulating regional development.

THE CONCEPT OF INDUSTRIAL ZONE

An industrial zone is a fully prepared land plot with clearly defined legal rights, necessary infrastructure, and communications. Their advantage is that any production facilities can be placed on the proposed sites: from pharmaceutical enterprises to automobile plants, while the investor does not incur any hidden or additional costs.

Land plots should be in state ownership at the time of creation and provided with sufficient infrastructure resources at the expense of budgetary funds and other sources not prohibited by law. At the same time, infrastructure resources are understood as a complex of structures that meet the needs of all participants in the industrial zone in heat and electricity, water supply, sewerage, transport communications, communication services, and other types of services necessary for the implementation of entrepreneurial activity.

The purpose of creating the industrial zones is to provide state support to private entrepreneurship and the development of priority industries in the field, such as mechanical engineering, food and light industry, production of building materials and structures, and agricultural equipment.

The specialization of each industrial zone is determined in accordance with the objectives of the organization of zones:

- development of certain industries
- development of certain regions
- development of small and medium-sized businesses

1.4%

growth of output in industrializing economies

Industrial economies currently account for

91%

of global manufacturing value added



Source: UNIDO

Industrial zones should become attractive to domestic and foreign investors due to the presence of the following characteristics:



Favorable conditions for work and living



Reduction of utility and electricity costs



Location near the main transport networks or hubs



The possibility of cooperation with other specialized enterprises



Professional management of zones



KAZAKHSTAN

KAZAKHSTAN

Industrial Zones

In 2024, the government pursued a policy of actively developing industrial zones, with a particular focus on the creation of small industrial zones and the development of new ones, primarily in the southern regions. The government is contemplating the replication of the Saran IZ experience in the Karaganda region in other single-industry towns throughout the country, including Khromtau, Satpayev, Balkhash and Kulsary. The advancement of existing industrial zones and the establishment of new ones still necessitates governmental involvement in order to finance the construction of fundamental infrastructure. Nevertheless, the emphasis on the development of small industrial parks serves to facilitate the growth of small and medium-sized enterprises, thereby enhancing the diversification of manufactured products.

The government has introduced amendments to the regulations governing the establishment and operation of small industrial zones. The territorial planning of the Almaty agglomeration provides for the creation of small industrial zones with an area of 1-2 hectares on the territory of IZs 'Arna', 'Boraldai' and 'Kazbek bey'.

In Turkestan, the expansion of the industrial zone by 310 hectares, including the connection of communications, has been completed. In August 2024, four new industrial zones with a total area of 570 hectares were established in the districts of Kazygurt, Sauran, Saryagash and Keles.

The city of Astana is implementing the creation of a second industrial park on 433.1 hectares, divided into 10 clusters, including mechanical engineering, construction, metallurgy and other sectors. Infrastructure construction is scheduled to commence in 2025. In Ekibastuz, the objective is to establish an industrial zone with a cluster in metallurgy and to attract investments of over 100 billion tenge.

Business preferences are provided in industrial zones:



Tax exemptions:

- Corporate income tax (up to 10 years)
- Land tax (up to 10 years)
- Property tax (up to 8 years)



Exemption from custom duties:

- Customs duty 0% up to 5 years on imports of technological equipment and accessories for it; spare parts, raw materials



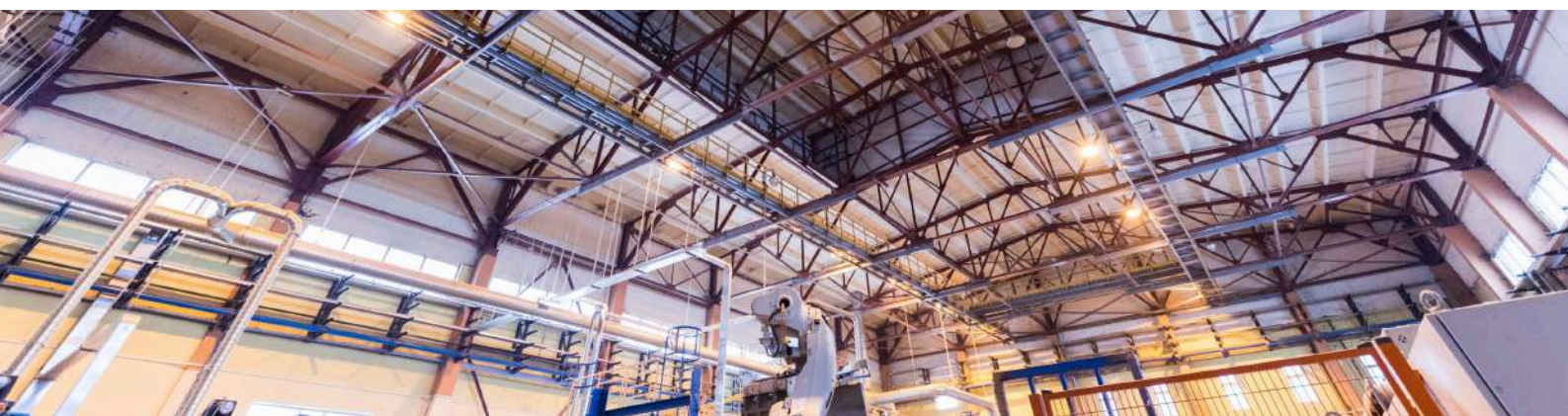
In-kind grants:

- Land plots, buildings, machinery and equipment for temporary free use



Simplified procedure for foreign labor:

- Attracting foreign labor is carried out outside the quotas and without permits for employers to attract foreign labor



KAZAKHSTAN

Industrial Zones



Connecting Europe and Asia, Kazakhstan plays an important role in the **"The Belt, The Road"** initiative

>500 mln.

Provides access to the market, consumers

80 mln.

Central Asian Market

180 mln.

Eurasian Economic Union

300 mln.

Western China

The transnational corridor – "Western Europe – Western China", the infrastructure of sea and dry ports allows the delivery of goods from China to:

10 days

Europe

10 days

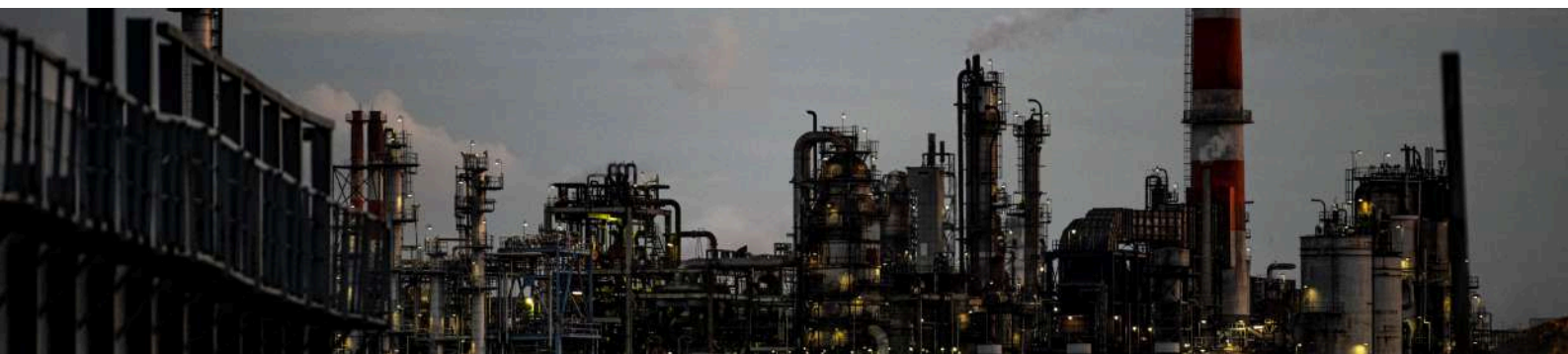
Saint-Petersburg

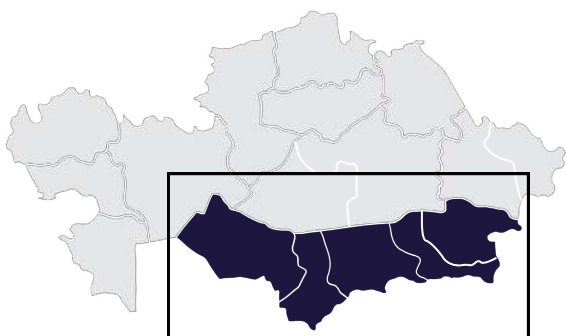
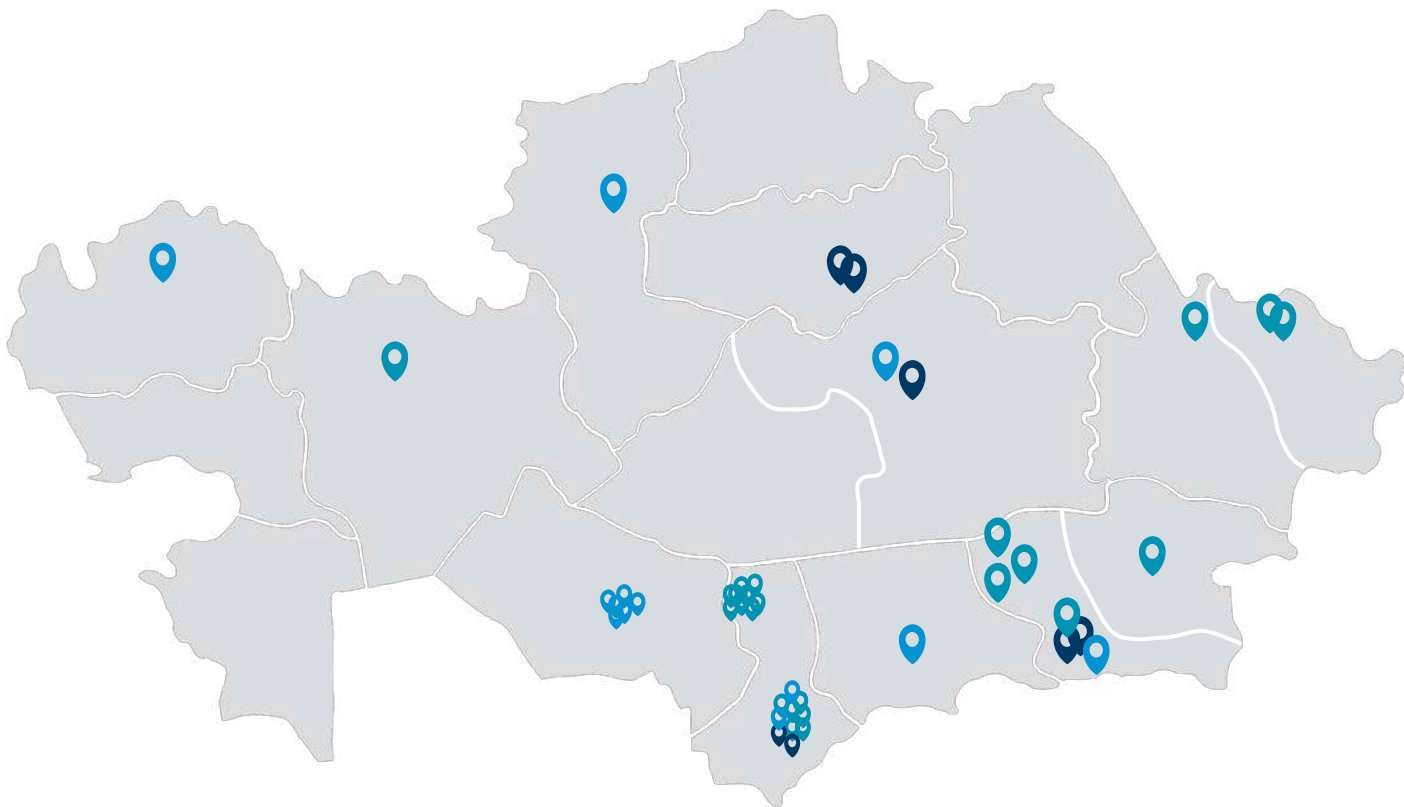
16 days

Hamburg

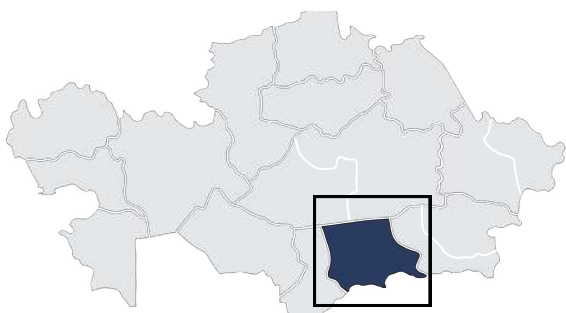
18 days

London





At the moment, we can state a large concentration of industrial zones in the southern regions of the Republic: 33 industrial zones are concentrated in the Kyzylorda and Turkestan regions, which is more than half of all zones in the country.



New industrial zones are being created and developed in the Zhambyl region. Entrepreneurs in the Zhambyl region, when opening new production facilities, feel the need for free production areas. There is a shortage of small plots of land with ready-made premises, transport accessibility, availability of communications, and on preferential terms. To solve this situation, the creation of small industrial zones is being considered.

44

Industrial Zones

Republican significance

13

Regional Significance

24

Private IZ

7

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Kostanay

The Industrial Zone "Kostanay" Is An Industrial Site With An Area Of 400 Hectares, Provided With Communications Intended For Development Of Priority Industries, Such As Mechanical Engineering, Food And Light Industry, Production Of Building Materials And Structures, Agricultural Equipment.

ADVANTAGES

One of the advantages of the industrial zone is the adjacent developed network of roads and railways with access to the Russian market (the site is adjacent to the international highway Almaty-Yekaterinburg).

- Ready-made engineering and communication infrastructure
- Investment preferences
- Convenient logistics location, highways
- The possibility to buy or rent a land plot
- The provision of office and hotel rooms for rent



INFRASTRUCTURE

Engineering infrastructure includes electricity, gas, water supply, sanitation, telephone, Internet. To create comfortable conditions on the territory of the industrial zone, there is an administrative center, which includes offices, a conference hall, hotel rooms and a dining complex.

- Communication lines – 9.6 km
- Water supply with a diameter of 400 mm (– 5.2 km) and 315 mm (– 2.7 km)
- Water intake structure – 9,950 m³/day
- Railway tracks – 3.7 km
- Highways – 4.5 km

400
Total Area, ha

180.3
Production facilities, ha

22.7
Engineering and transport infrastructure, ha

197
Vacant place, ha

1.3
Administrative and household complex, ha

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Taraz

PROJECT SELECTION CRITERIA

- The use of modern technologies and equipment that meet environmental requirements
- Competitiveness in the market and export-oriented products, the absence of analogues in the region
- Availability of sources of project financing in full
- Implementation of an industrial and innovative projects

The land plot is transferred to the participant of the industrial zone for sublease for 25 years, before the project is put into operation, the sublease of the land is free, only the land fee is paid.



41

Total Area, ha

TERMS OF PARTICIPATION

- The state provides infrastructure (railway, highway, gas pipeline, electric line, water supply, etc.) to the border and inside the zone
- Connection to the infrastructure is free of charge; payment for services consumed – by metering devices
- Infrastructure maintenance costs under a separate contract with the operator of the industrial zone
- An investment contract is signed with an indication of the schedule for the implementation of the investment project. For the period of construction of facilities – up to 3 years, the participant rents the land for free, pays only the land tax

PRIORITY ACTIVITIES

- Light industry and furniture production
- Chemical industry
- Production of building materials and other non-metallic mineral products
- Metallurgy, metalworking, mechanical engineering and others

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Aral, Kazaly, Karmakhshy and Shieli Regions

ARAL REGION



10

Total Area, ha

10

Production facilities, ha

5

Vacant place, ha

22.7

Administrative and household complex, ha

3

Registered participants

239.8 mln

Investments, tenge

100

Jobs created

KAZALY REGION



6.9

Total Area, ha

6.9

Production facilities, ha

2.1

Vacant place, ha

5

Administrative and household complex, ha

8

Registered participants

172 mln

Investments, tenge

67

Jobs created

KARMAKSHY REGION



15

Total Area, ha

15

Production facilities, ha

10.9

Vacant place, ha

4.1

Administrative and household complex, ha

4

Registered participants

239.8 mln

Investments, tenge

48

Jobs created

SHIELI REGION



96

Total Area, ha

96

Production facilities, ha

33

Vacant place, ha

63

Administrative and household complex, ha

7

Registered participants

66 billion

Investments, tenge

438

Jobs created

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Sherpin and Ondiris Region

SHERPIN REGION



22

Total Area, ha

17

Production facilities, ha

12.7

Administrative and household complex, ha

109.5 mln

Investments, tenge

4.3

Vacant place, ha

11

Registered participants

54

Jobs created

ONDIRIS REGION



760

Total Area, ha

760

Production facilities, ha

125.2

Administrative and household complex, ha

634.8

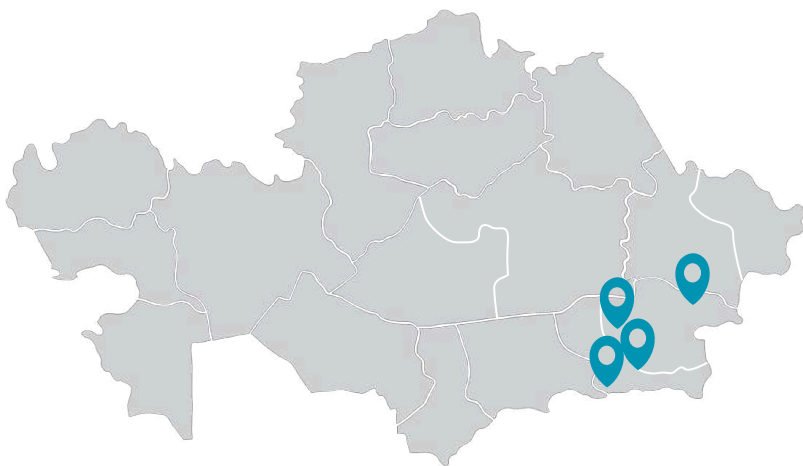
Vacant place, ha

Infrastructure

- 10kW power transmission line, 4.5 km long
- Administrative building, an area of 1,256 m² with a land plot of 3.6 hectares
- 1,260 m length water supply and sewerage networks
- Transformation substation


INDUSTRIAL ZONES OF REGIONAL SIGNIFICANCE

Almaty Region: Taldykorgan, Kairat, Bereke, Almaty




1,817
Total Area, ha

TALDYKORGAN INDUSTRIAL ZONE

 **594.9**
Area, ha

 **25**
Distance to the airport, km

 **5.4**
Railway tracks, km

 **19.4**
Communication networks, km

 **no restrictions**
Priority industries

 **9.7**
Highways, km

 **2*40**
Power Supply, MW/h

 **750**
Water Supply m³/hour

 **5,000**
Gas Supply, m³/hour

KAIRAT INDUSTRIAL ZONE


 **198**
Area, ha

 **80**
Distance to the airport, km

 **5.9**
Railway tracks, km

 **no restrictions**
Priority industries

 **4.7**
Highways, km

 **2*12**
Power Supply, MW/h


 **80**
Water Supply m³/hour

 **540**
Gas Supply, m³/hour


BEREKE INDUSTRIAL ZONE

 **535**
Area, ha

 **75**
Distance to the airport, km

 **5.4**
Railway tracks, km


 **200**
Heat supply, Gcal/h

 **There is a possibility of placing objects of 3.4 hazard class according to sanitary rules**
Priority industries

 **9.7**
Highways, km

 **2*63**
Power Supply, MW/h

 **85**
Water Supply m³/hour

 **2041**
Gas Supply, m³/hour

ALMATY INDUSTRIAL ZONE

 **490**
Area, ha

 **40,000**
Gas Supply, nm³/hour

 **27**
Highways, km

 **150**
Power Supply, MW

- The range of products planned for production is very wide – from ice cream to steel pipes for the oil and gas industry
- During the operation of the industrial zone, the state has invested more than 22 billion tenge in the development of its infrastructure

INDUSTRIAL ZONES OF REGIONAL SIGNIFICANCE

Almaty Region: Taldykorgan, Kairat, Bereke, Almaty

PROSPECTIVE



KAZBEK BEK INDUSTRIAL ZONE

Planned capacities



900

Area, ha



12

Highways, km



2*2000

Power Supply, kW/h



8000

Water Supply m³/day



49

Railway tracks,
wagon/day



8000

Drainage, m³/day



80

To Almaty, km



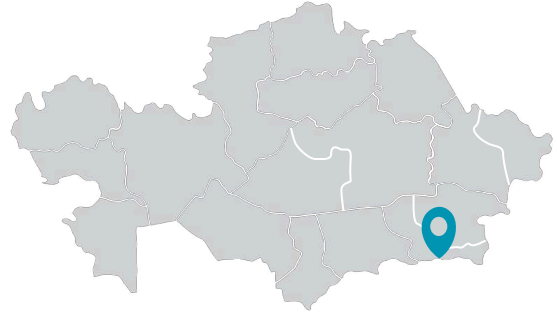
20000

Gas Supply, m³/hour



21

Heat supply, Gcal/hour



SHELEK INDUSTRIAL ZONE

Planned capacities



244

Area, ha



6

Highways, km



2*63000

Power Supply, kW/h



11500

Water Supply m³/day



10

Railway tracks,
wagon/day



8000

Drainage, m³/day



160

To Almaty, km



6750

Gas Supply, m³/hour



21

Heat supply, Gcal/hour

INDUSTRIAL ZONES OF REGIONAL SIGNIFICANCE

Ordabasy and Aktobe

ORDABASY

The Ordabasy Industrial Zone Of The Turkestan Region Functions As A Single Dispatch Centre That Optimizes The Process Of Entering Investments Into The Region, Offering Customers Ready-Made Sites With Prepared Infrastructure For Doing Business.



126.8

Total Area, ha

700,000

Built-up area, m²

- A gas pipeline with a length of 3,860 p/m with a capacity of 13,000 m³/h
- On the territory of the zone there is a railway station, a container platform, 2 gantry cranes of 10 and 50 tons, a temporary storage warehouse
- Water supply - 7 artesian wells, 2 pumps with a capacity of 160 m³/h, 5 pumps with a capacity of 110 m³/h
- Steam supply – boiler house with a capacity of 150t. steam per hour

AKTOBE

Located On The "Western Europe – Western China" Highway, 5 Km From The City, 97 Km From The Border With The Russian Federation (Orenburg Region).



200

Total Area, ha

- Ready-made industrial infrastructure
- Low energy tariff
- Flexibility for investors
- Convenient transport logistics
- Priority industries – oil and gas refining; chemical industry; production of building materials; transport logistics; services for enterprises from Aktobe; oil and gas service; oil and gas engineering; mining and metallurgical complex

PRIVATE INDUSTRIAL ZONES

DAMU

Was Founded In 2008 And Is One Of The Largest Industrial Territories In The Republic Of Kazakhstan. The Industrial Area Houses Production And Infrastructure Facilities And Warehouses Created For The Development Of Entrepreneurship, Both Kazakh And International Companies.

The Park Is Conditionally Divided Into 2 Parts: Industrial And Logistics. The Industrial Area Has All The Necessary Transport And Engineering Infrastructure. The Park Has Excellent Geolocation Along The Almaty – Zhetygen Highway And Near The Transport Interchange "Western Europe – Western China". Almaty City And The Airport Are A 20-Minute Drive Away. All Necessary Engineering Communications Have Been Carried Out In The Park. The Territory Of The Park Is 75% Occupied.



The land plots have been acquired by such large companies as:

- Wilo
- Galanz Bottlers
- Volvo
- Danone
- Food Town
- Shin-Line
- ArLine
- Mustang Farbe And Others

210
Total Area, ha

 more than
300,000
Class A Warehouse, m²

 **15**
Railway line, km

 **9-12**
Ceiling height, m

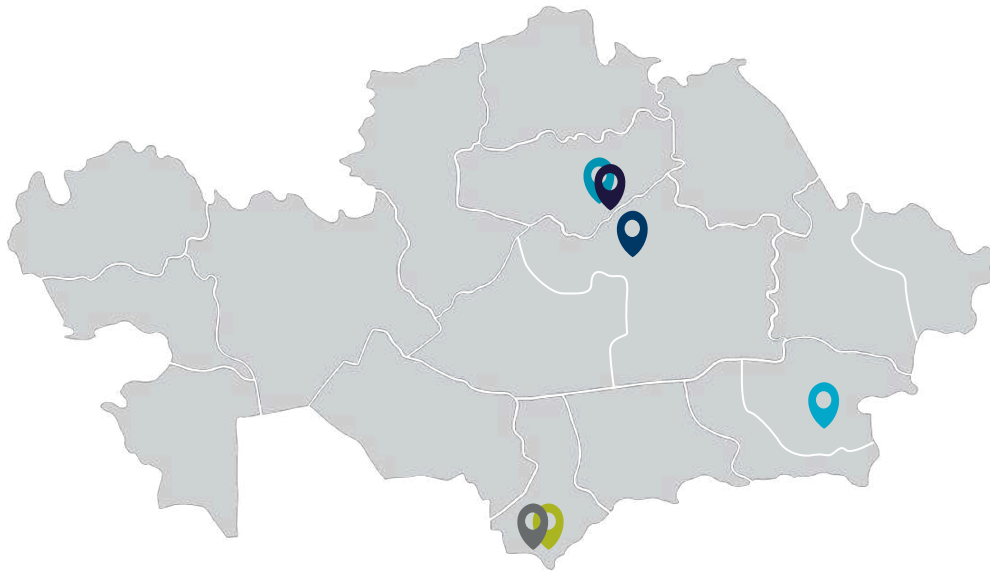
 **+18 to -25**
Temperature range

 **17.8**
Container terminal area, ha

- Automated warehouse
- Management system WMS
- Full comprehensive service (outsourcing)
- Rental of warehouses, outdoor areas, office spaces



PRIVATE INDUSTRIAL ZONES



QAZ CARBON

The industrial zone "Qaz Carbon," registered in the Karaganda region in 2021, includes a coke production plant, a foundry, a ferroalloy production facility, and a coal enrichment factory. This zone concentrates all the company's capacities, allowing for optimization of production and logistics costs.

STANDARD

The "STANDARD" zone in Shymkent was registered in 2021, but full-scale operations have yet to begin. The industrial zone is aimed at small and micro-businesses, offering residents access to loans on preferential terms. The zone is being developed on the site of the former Shymkent Lead Plant.

175 000
Total Area, m²

TEPLICHNYI RAI

The agro-industrial zone "Teplichnyi Rai" in Shymkent was added to the registry in 2021, but its development has faced challenges. Launched in 2020, the project was intended to create greenhouse complexes but has encountered legal difficulties and a lack of infrastructure. Currently, the status and future of the project remain uncertain.

KOYANDY

The industrial zone "Koyandy," located in the Akmola region and registered in 2022, is industrial site supported by the government, including enterprises producing food and beverages. Despite state support, the zone faces financial difficulties, and its development is progressing slowly.

68
Total Area, ha

DOSTYK GATE

The private industrial zone "DOSTYK GATE" in the Zhetysu region, added to the registry in 2022, is being developed with private investment. This zone is linked to a transshipment terminal on the Kazakhstan-China border, fostering the development of logistics and production capabilities in the region.

116
Total Area, ha

BIRLIK

The special industrial zone "Birlik" in Astana, registered in 2024, is a newly established zone with special conditions for applying international construction and production standards. The management company, registered in the Astana International Financial Center, has a broad specialization and is a member of the Association of Logistics and Industrial Parks. Information about the residents and activities of the zone is currently limited.

SMALL INDUSTRIAL ZONES

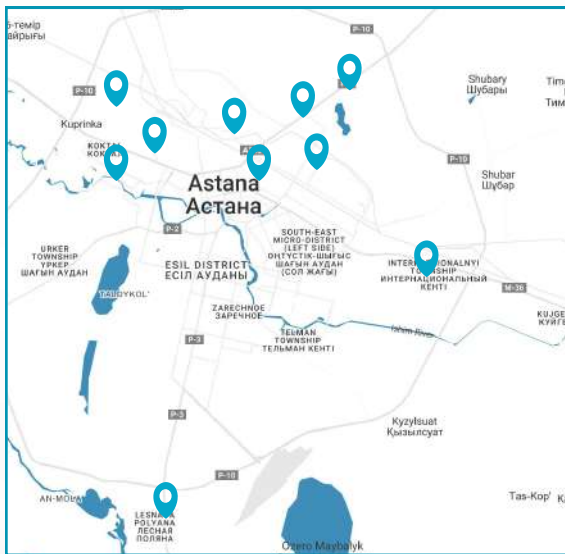
Industrial facilities are distributed throughout Almaty city, with a particular concentration in the Zhetisu, Alatau and Tursib districts. The industrial facilities in question encompass both those that were constructed during the Soviet era and those that have been developed more recently. However, the majority of these facilities are repurposed Soviet-era buildings that have been adapted for industrial use. The average area of the facilities are 864 sq.m., and average height 5 m. The majority of industrial facilities provide a comprehensive range of services and utility options. The majority of industrial facilities provide parking and security, as well as electricity, water, and gas for utility purposes. It should be noted, however, that not all facilities have access to sewerage or heating.

The majority of industrial facilities in Astana are situated in industrial zones in close proximity to railway lines. The average area of the facilities are 1 986 sq.m., and average height 5 m. The majority of these facilities are located in the districts of Almaty, Baikonur, and Saryarka. The majority of industrial sites provide electricity and water, although only a small proportion have access to gas. Additionally, some facilities offer access to the crane beam.

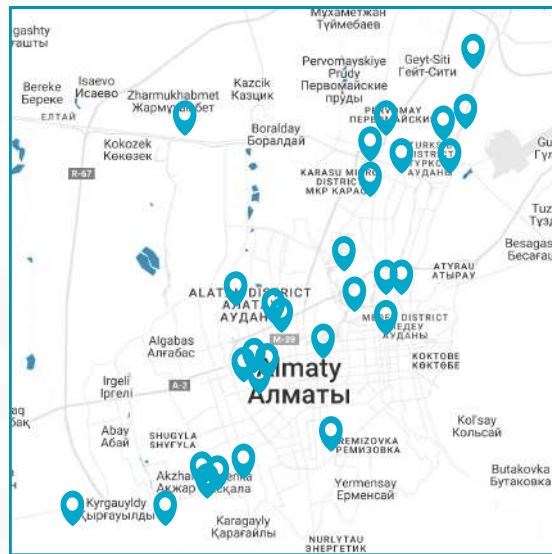
There is a significant discrepancy in rental prices between industrial facilities in the two cities. The average price in Almaty is 4000 KZT per sq/m, which is approximately 40% higher than the average price in Astana, which is 2800 KZT per sq/m.



Map of small industrial zones in Astana



Map of small industrial zones in Almaty



An aerial photograph of a city in Georgia, showing a mix of modern and traditional architecture. In the foreground, there are several multi-story buildings, including a prominent one with a grid-like facade. In the middle ground, a tall, modern glass skyscraper stands out, along with a building featuring a 'Radisson' sign. The background is dominated by rolling hills and mountains under a cloudy sky. The word 'GEORGIA' is overlaid in large white letters across the lower half of the image.

GEORGIA

GEORGIA

Industrial Zones

To attract international investment and appeal to investors seeking high returns, Georgia enacted the Law on Free Industrial Zones along with related legislation. This allowed for the creation of special status zones, known as Free Industrial Zones (FIZ), within the country.

A FIZ is a designated area with defined borders and a special legal status granted by the law. It offers an environment conducive to economic activity by providing favorable tax and regulatory conditions from both legal and commercial perspectives for a specified period.

A FIZ can be established either through the initiative of the Georgian government or at the request of an individual or legal entity, whether resident or non-resident, provided they meet all necessary requirements. A FIZ can be set up anywhere in Georgia, as long as its area exceeds 10 hectares and it is not located within a protected territory under Georgian law. Once established, a FIZ must be managed by an administrator.

Businesses operating within a FIZ must be properly registered and obtain the relevant licenses for their activities. Once established in a FIZ, these entities benefit from tax and customs advantages.

Business preferences are provided in FIZ:



Tax incentives:



Payments carried out in any currencies



Exemptions from majority of licenses



Autonomy from the local self-government bodies



Simplified procedure

4

Free Industrial Zones



FIZ name	Location	Total Area	Administrator	Operating Industries
Tbilisi FIZ	Tbilisi	170,000 m ²	Georgia Technology Park LLC	Technology, logistics, warehousing, light industrial manufacturing
Kutaisi FIZ	Kutaisi	269,014 m ²	Georgian International Holding LLC	Manufacturing household appliances, water electric heaters
Hualing Kutaisi FIZ	Kutaisi	360,000 m ²	Georgian Huashun Industrial Investment Group LTD	Wood and stone processing, metal construction, furniture production
Poti FIZ	Poti	3M m ²	CEFC China Energy Company Limited	Light manufacturing, heavy industries - chemical, steel processing

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Tbilisi Free Industrial Zone

Tbilisi Free Industrial Zone (TFZ) Was Launched In November 2015 On 170,000 M2 Of Land In Tbilisi, On 264 Omar Khizanishvili Str. BitFury Group, World's Leading Blockchain Technology Company, Is The Owner And Developer Of The Property. TFZ Is The Only Free Industrial Zone In Tbilisi And In Whole Eastern Georgia. It Is Open For International Tenant Companies From Diverse Fields Of Business, Such As Technology, Trading And Services, Light Industrial Manufacturing, Logistics, And Warehousing To Locate Their Export-Oriented Businesses In The Tax-Free Area. TFZ Is Administered By Georgia Technology Park LLC.

OPERATIONAL ADVANTAGES

- TFZ offers flexible tenancy terms including simple land lease and turn-key development solutions customized to individual tenant needs
- Customer clearance point is located in the territory, allowing smooth and efficient processing and handling of goods to and from TFZ, avoiding time-consuming customs formalities and paperwork
- Low costs of utilities and communications
- Proximity to the largest labor pool of Georgia
- Facility management service
- Easy access to Tbilisi international airport and the city center



170,000

Total Area, m²

Development master plan of the Tbilisi Free Zone comprises virtual office locations, smart office buildings and 28 individual free land plots designated for development specifically to meet the requirements of tenant businesses.

TAX ADVANTAGES

- Income of a Free Industrial Zone Enterprise is exempt from the Corporate Income Tax
- Trade between the Free Industrial Zone Enterprises are exempted from the VAT
- Free Industrial Zone Enterprises have no obligation to administer personal income tax of the employees
- Property, including land, located in a Free Industrial Zone is exempted from property tax

TAX SAVINGS

- Import tax – up to 18% of import value
- Value Added Tax (VAT) – 18%
- Corporate tax – 15% of the taxable profit base
- Property tax – 1% of the average book value of property

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Kutaisi Free Industrial Zone

Kutaisi Is The Second Largest City In Georgia And Also Its Legislative Capital. Kutaisi Free Zone Is One Of The Most Developed Free Zones In Georgia And Is Divided Into Two Industrial Areas. The First Is Called Kutaisi Free Industrial Zone (FIZ), Located Within The City On The Territory Of Famous Kutaisi Auto Plant Since 2009. The Area Covers Approximately 27 Hectares, And It Is Still Under Development. The Kutaisi FIZ Is Intended To Be A Multi-Profile Industrial Center For Various Manufacturing Business To Base Their Operations There.

OPERATIONAL ADVANTAGES

- Kutaisi FIZ is located only 10 km from Kutaisi International Airport, 95 km from the Poti seaport and 210 km from Tbilisi
- Kutaisi FIZ is focused on attracting international companies-tenants to carry out their export-oriented business activities in a tax-free zone
- Kutaisi FIZ welcomes companies operating in various business sectors: technology, trade and services, light industry, logistics, warehousing, etc.
- Kutaisi FIZ provides flexible lease terms and an individual approach to each tenant company
- More than 20,000 employees work in the Kutaisi FIZ and investments and employments in the area are expected to grow in the near future



269,014
Total Area, m²

TAX ADVANTAGES

- Tax exemption for profit gained by an international company that carry out activities in this zone;
- Property tax exemption for companies incorporated in the Kutaisi FIZ
- No VAT on goods imported into the FIZ or on transactions carried out between entities incorporated in the FIZ
- Customs duty exempt-exports for goods produced within the zone
- No foreign exchange controls, trade barriers or restrictions on capital

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Hualing Kutaisi Free Industrial Zone

Hualing Kutaisi Free Industrial Zone, The Second FIZ In Kutaisi, Started Its Fully Functional Operations In October 2015. It Covers The Territory Of 36 Hectares. It Has Attracted Various Entities And Currently There Are Five Enterprises Operating In The Hualing Tbilisi Zone: Wood Processing, Furniture Production, Stone Processing, Metal Construction And Mattresses Production.

OPERATIONAL ADVANTAGES

- Hualing Kutaisi Free Industrial Zone is located in the region of the Caucasus and represents an advantageous industrial, logistics, and trading hub
- Its central location is an opportunity for enhancement of commercial and business ties between Europe and Asia
- Its convenient infrastructure and transportation facilities such as rail, road, ports, and air transport make Hualing Kutaisi FIZ an attractive investment zone
- It offers a fast process of the company setup o It provides cheapest tariff on licenses, services, and buildings
- It allows Free Trade regime with CIS countries
- It offers fast procedure for getting a Certificate of Origin for industries



170,000
Total Area, m²

- Land for industrial usage or warehousing
- Ready-made buildings for industrial usage or warehousing
- Office spaces
- Office desks
- Smart offices

TAX ADVANTAGES

- Full exemption from Corporate profit, VAT, Dividend, and taxes
- Full exemption from import and export of cargo, including raw material, equipment, and machinery
- Full capital and profit repatriation
- No initial capital requirement
- No state auditing required

HUALING KUTAISI FIZ PERMITS

- Import, export, store, produce, package, process, or manufacture goods
- Provision of all services by foreign enterprises
- Provision of transportation, communication, audit/consulting, financial services

INDUSTRIAL ZONES OF REPUBLICAN SIGNIFICANCE

Poti Free Industrial Zone

Poti Free Industrial Zone Is Strategically Located Near The Black Sea, In The City Of Poti, Which Is The Largest Seaport In Georgia. Poti FIZ Is The First Free Industrial Zone In The Region, And It Has Been Fully Functional Since 2010, Hence It Is One Of The Oldest And Largest Free Zones In Georgia And Most Substantial In Terms Of Business Volumes Being Handled. Specifically, Poti FIZ Covers 3.0 Million Sqm, Most Of Which Is Occupied By Range Of Industrial And Logistics Activities, Including Light Manufacturing And More Heavy Industries, As Chemical, Steel, And Processing. Tax-Free Environment, Favorable Location, And Quick And Easy Business Set-Up Processes Make Poti FIZ The Most Attractive FIZ In The Region For Doing Business.

OPERATIONAL ADVANTAGES

- Poti FIZ has a strategic manufacturing location close to sea, rail and road connected to the Silk Road Corridor, the Black Sea and Caspian region
- Poti FIZ offers low labor, land and power costs
- Poti FIZ provides market storage and distribution benefits
- Poti FIZ has reduced necessity of inventory and costs
- Simplified proceedings for business start-up in a tax-free environment
- A safe environment for business operations



3M

Total Area, m²

- Wide range of land plot sizes and options
- Customs area 16,800 m²
- Railway terminal area 3,000 m²
- FIZ warehouses area 6,946 m²
- Good power, water, gas and internet connectivity
- Rail and road handling facilities on site

TAX ADVANTAGES

- No VAT
- No Corporate Profit Tax
- No Property Tax
- No Export Tax
- Import Tax 0% on Import Value

FEES

- Registration (one time fee): 1,100 USD
- Incorporation fee including full assistance (one time fee): 1,000 USD + 18% VAT
- License: 2,000 USD to 25,000 USD per year fee, depending on the company's activities

INDUSTRIAL MARKET OF GEORGIA

Warehousing And Logistics

Highly Strategic Location Of Georgia Made It Part Of The Silk Road And Permitted It To Serve As A Gate Between Asia And Europe. Standing At The Crossroad Of Two Continents Has Always Allowed Various Trade Partnerships.

Recently Georgia is also envisioned as part of 'The Belt and Road Initiative' - Beijing's vision of a new Silk Road, where Georgia is positioned as an essential part of the south Eurasian corridor. These factors indicate that the country has a good potential for its industrial and logistics market development.



Presently the main players of the country's industrial market are Tbilisi, Batumi, Kutaisi and Poti where the total volume of logistics and warehouse space exceeds around 2.5 million m².

However, Tbilisi - as the capital of Georgia plays even bigger role in the sector, as it is the central distribution point for the entire Georgian market and almost all of the imported goods come to Tbilisi for redistribution. Industrial warehouse space in Tbilisi saw a considerable expansion in 2017 when the supply grew by around 86,000 m², following by further 31,000 m² expansion later in 2018-2019.

2020-2021 also witnessed emergence of new market players in the city, which led to the total amount of warehouse space in Tbilisi to reach to approximately 1.7 million sqm. Currently most of the available industrial space is owner-occupied. Furthermore, while total storage space can be subdivided into A, B and C class logistics centers, Tbilisi is also notable to host only one A class warehouse center in the entire country. Additionally, the demand in the city is driven mainly by transportation sector, food & beverages, construction/building materials, furniture, electronics, and service sector.

Meanwhile, besides free industrial zones, the total amount of industrial and logistics space in Batumi is over 140 000 m², which mostly belong to Soviet-era buildings and are owner-occupied. Here demand is generated mostly by furniture and construction companies. Kutaisi's total industrial space is around 349 000 m². The industrial space in Poti totals to around 133 000 m², which is also predominantly owner-occupied, and the largest share of demand comes from seafood manufacturing firms.

INDUSTRIAL MARKET OF GEORGIA

Warehousing And Logistics

Over Time The Sector Has Been Growing And By The Year 2022 It Should Be Highlighted That There Are More Logistics Companies Providing Complete Solutions In The Country Than Ever Before.

Many of them offer services, such as door-to-door transportation of goods by the sea, land, railway and air transport; transportation of cargo with temperature regime and warehousing; ability to track the cargo movement during transportation; handling of bulk cargo; vessel charter and shipping; customs clearance; cargo insurance; and importantly, high- skilled labour.

Notably 2021 marked opening of very crucial infrastructural projects in the country supporting the logistics and industrial sector. A new multimodal terminal 'Wondernet Express' for processing mineral fertilizers was opened on the territory of Batumi seaport in June 2021, which has a capacity of 1.5 million tons per year. Meanwhile, Poti is also expecting a completion of the deep-water port project.

The new harbour is 250 meters long and 13 meters deep, able to receive ships carrying 50 thousand tons of cargo, which will be the first precedent in Georgian ports to receive these large ships. Designed for all types of dry, bulk and general cargo, the new harbour will accommodate 3 million tons per year. With the help of these new developments, cargo will be transported from Georgia to Central Asia, the US, Europe, Africa and Australia, proving that Georgia is indeed an important logistics hub in the region.

PTC Holding, a Kazakhstani transport and logistics group, made the decision in 2023 to undertake a project for the construction of a multimodal terminal in Georgia to support the development of the Trans-Caspian International Transport Route (TITR). To achieve this, PTC Holding, in partnership with private Georgian companies, established JSC "Poti TransTerminal" on an equal footing. The terminal is planned to have an annual capacity of 80,000 TEU, with a \$27 million investment in the project. The terminal is scheduled to be operational by the third quarter of 2024, according to Olzhas Arykbai, Director of Development at PTC Holding.

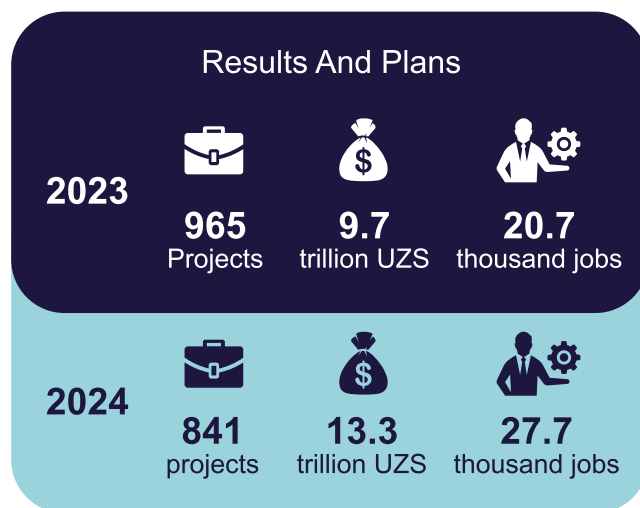
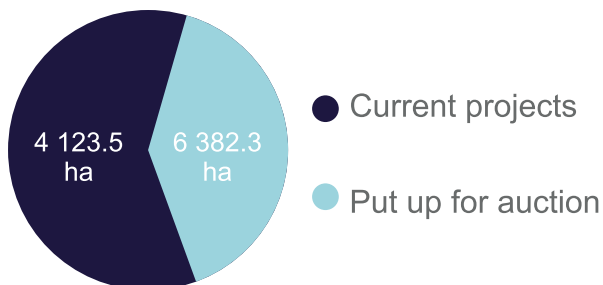
The Kazakhstani railway operator, PTC Holding, is offering Russian shippers new routes connecting China and Europe. Starting this year, the company will handle containerized exports from Russia using both its own and leased fleet. PTC Holding also plans to launch the Poti terminal this year to operate on the TITR, bypassing Russia but still providing Russian shippers with opportunities to diversify their supply routes.



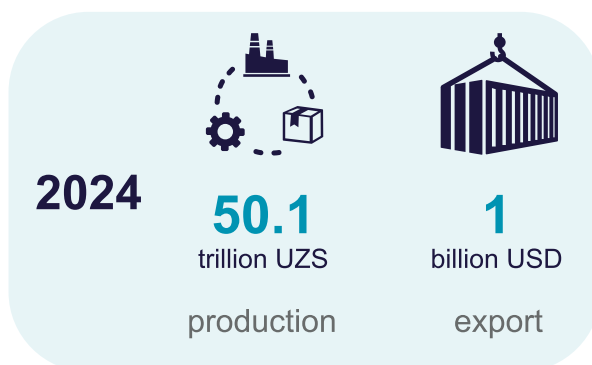
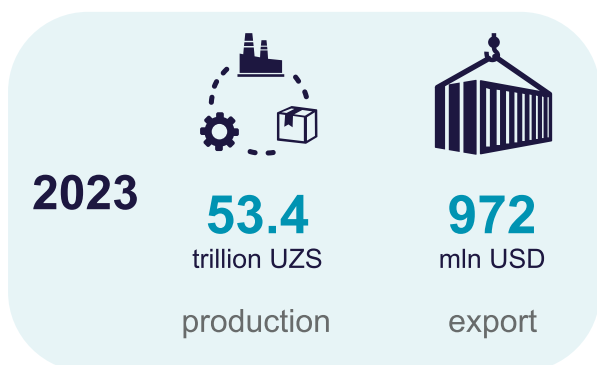
UZBEKISTAN

UZBEKISTAN

Development Of Industrial Zones



PRODUCTION



INDUSTRIAL ZONES OF UZBEKISTAN

Overview Of Free Economic Zones

25

FEZ

8 600 ha

Total area of usable land

650

Projects

43.9 trillion UZS

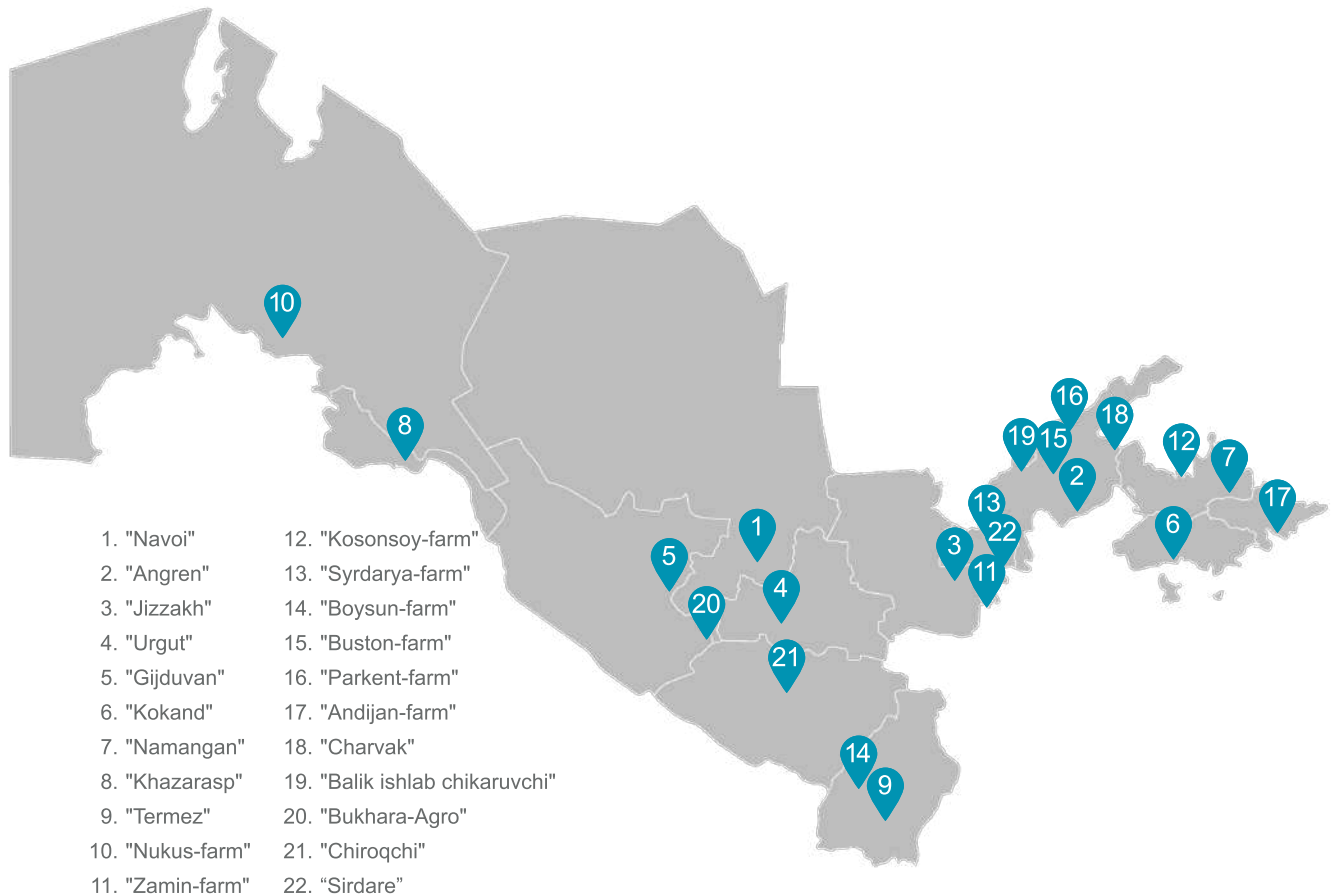
Total Value

60 000

Created new jobs

431 projects with a total cost of **97.4 trillion soums** are being implemented in special economic zones, and in the future, as a result of the full-fledged launch of these projects, it is planned to create 55.8 thousand new jobs. Special Industrial zones specialize in areas such as pharmaceuticals, food processing, light industry, building materials, chemicals and petrochemicals, agriculture and electrical engineering.

To encourage participation in these zones, **1,712.3 hectares** of available land, divided into **1,426 lots**, are being auctioned on the official website e-auksion.uz. This not only provides opportunities for investors but also increases the transparency and accessibility of land acquisition processes within these zones.



INDUSTRIAL ZONES OF UZBEKISTAN

Free Economic Zones And Small Industrial Zones

LIST OF SMALL INDUSTRIAL AREAS

1. "Nukus Technopark" SIZ
2. "Ayritom" SIZ
3. "Afrosiyob" SIZ
4. "Pakhtaobod" SIZ
5. "Telov" SIZ
6. "Maxam Chirchik" SIZ
7. "Almazar" SIZ
8. "Biochime" SIZ
9. "Farovon" SIZ
10. "Avtokhizmat" SIZ
11. "Pitnak KUSH" SIZ
12. "Shovot Bearing" SIZ
13. "Arablar" SIZ
14. SIZ of the Andijan region
15. SIZ of Bukhara region
16. SIZ of the Jizzakh region
17. SIZ of Kashkadarya region
18. SIZ of the Republic of Karakalpakstan
19. SIZ of Navoi region
20. SIZ of Namangan region
21. SIZ of the Samarkand region
22. SIZ of the Syrdarya region
23. SIZ of Surkhandarya region
24. SIZ of the Tashkent region
25. SIZ of the Ferghana region
26. SIZ of Khorezm region
27. "Zomin-Pharm" SIZ

Tax and customs payment benefits are provided for a period of 3 to 10 years. Enterprises with foreign investments and participants in the Free Economic Zone (EEZ) are exempt from paying property tax, land tax and tax on the use of water resources, depending on the amount of investments made:

- from 300 thousand dollars to 3 million dollars – for a period of 3 years;
- from \$ 3 million to \$ 5 million – for a period of 5 years;
- from \$ 5 million to \$ 10 million – for a period of 7 years;
- from \$ 10 million and above – for a period of 10 years.

In addition, FEZ participants are exempt from income tax depending on the volume of their investments:

- From \$3 million to \$5 million – for a period of 3 years;
- From \$5 million to \$15 million – for a period of 5 years;
- From \$ 15 million and above – for a period of 10 years.

Also, FEZ participants have the right to defer the payment of value added tax on the import of goods for up to 120 days.

Customs privileges for FEZ participants are exempt from the payment of the following customs duties (except for customs clearance fees) upon importation into the territory of the Republic of Uzbekistan:

- construction materials for the implementation of the investment project in accordance with the investment contract during the construction period;
- raw materials, materials and components used for the production and sale of products for export, as well as their analogues, technological equipment not manufactured in the Republic of Uzbekistan according to the approved list (the list is approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 352 of the Republic of Uzbekistan dated 06/04/2021).

The state ensures guaranteed connection of participants of free economic zones to engineering and communication networks, promptly connecting them to production sites.

INDUSTRIAL ZONES OF UZBEKISTAN

Samarkand-Logopark

A new multimodal transport and logistics hub, "Samarkand-Logopark," is set to be established in the Samarkand region, as reported by the press service of Marakand Logair, the company managing the project.

The logistics center will be the largest in the Samarkand region, with its inauguration scheduled for the second quarter of 2025. Positioned strategically along the M-37 highway and in close proximity to Samarkand International Airport, the hub is ideally located to serve both local and international transport needs.

Marakand Logair has already started signing contracts for warehouse operations and leasing space within the facility. As part of the SEG Enera industrial and investment group, Marakand Logair's projects also include Samarkand International Airport and the Silk Road tourist complex.

The project aligns with Uzbekistan's broader strategy to develop industrial zones across the country, enhancing the nation's capacity to handle international trade and fostering industrialization. With improved infrastructure and logistics capabilities, regions like Samarkand are set to become key nodes in Central Asia's trade routes, boosting exports and facilitating economic diversification.



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