



German  
Economic  
Team

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**POLICY BRIEFING**  
**GEORGIA**

# Policy measures to tap the potential of relocations of foreign IT companies and talent to Georgia

By Sebastian Staske and Björn Vogler

# Executive Summary (1/2)

- » In principle, the findings from the interviews and research carried out indicate a **promising potential to accelerate the development of Georgia as an IT location** in light of the relocation of foreign companies and talent
- » However, a **leapfrogging effect** can only be realised, if:
  - A substantial part of the relocated companies and talent stays in the country
  - The relocated companies and talent can be integrated into the local IT community
  - The IT and start-up ecosystem, which is still in an early stage, can be strengthened to create a conducive environment and ensure a sustained development process
- » Currently, the **impact on the local IT industry is limited**. There are two IT communities (“bubbles”) – relocated and local – with limited interaction
- » The **majority of foreign IT specialists moved to Georgia as part of relocations** and is – at least currently – **not seeking employment in local IT companies**
- » In the short term, the most promising potential relates to **scaling up relocation projects, attracting (re)investments and increasing spillovers**. In comparison, the start-up and the recruitment potential for local companies is rather limited

## Executive Summary (2/2)

- » There is a need to **combine policy measures** to retain and integrate relocated companies and talent (**short-term**) and strengthen the ecosystem (**long-term**). Those measures should be **complemented with targeted promotional activities**
- » Against this background, the following recommendations can be derived:
  - **Introduce a dedicated IT visa programme / residence permit** to provide a reliable long-term perspective for foreign IT talent (beyond Russia & Belarus) and to improve Georgia's value proposition as IT location
  - **Intensify aftercare and facilitation measures** with a focus on linkage promotion, welcome and visa services
  - **Complement facilitation / aftercare activities** with targeted promotional measures focusing in particular on SMEs in the US and Western European IT industry
  - **Establish effective association and communication structures** improving interaction between the local and relocated IT community and the Government
  - Building upon the experience gained, embed the short-term measures into a **road map** for the development of the Georgian IT industry with a long-term focus emphasising education & training to strengthen the skills base

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# 1. Introduction

# 1. Introduction

## Background

- » Talent availability plays a critical role for the development of the IT industry. It has become the most important factor driving investment decisions
- » A survey conducted by CRRC on behalf of the German Economic Team (PS/01/2022) indicates a substantial inflow of Russian and Belarusian IT specialists into Georgia in the context of the war in Ukraine

## Purpose of this Policy Briefing

- » Against this background, this Policy Briefing assesses the potential to accelerate the development of Georgia as an IT location in light of the relocation of IT talent and companies to the country
- » It identifies suitable policy measures based on:
  - A review of international experience focusing on recent initiatives to attract, retain and integrate digital talent, start-ups and investment
  - Interviews with Georgian IT companies and industry experts to discuss the current situation and emerging trends as well as key opportunities and challenges from the local perspective

## 2. Review of international experience

## 2. Review of international experience: overview

### Overview of policy measures targeting IT talent, start-ups and investment

- » Several countries have recently intensified their efforts to attract and retain IT talent, start-ups and investment and to increase the impact on the local economy
- » The table below provides an overview of relevant policy measures, which will be explained in further detail on the subsequent pages

#### Overview of relevant policy measures

<b>Visa and incentive programmes</b>	A. Introducing dedicated visa programmes (digital nomad, freelance and IT visa)
	B. Designing tailored incentive programmes to attract and retain talent
<b>Soft infrastructure (Information, matchmaking and support services)</b>	C. Combining different incentives and policy tools with virtual IT parks
	D. Using structured and target group oriented aftercare programmes to retain investment, attract (re)investment and enhance the impact
	E. Widening the scope of facilitation services to secure both investment and talent
	F. Promoting linkages between start-ups and the business and science community
<b>Hard infrastructure</b>	G. Developing specialised free economic zones (FEZs), industrial and technology parks

Source: own display



# A) Dedicated visa programmes (1/4)

## Digital nomad & freelance visa

- » Digital nomad visa programmes are increasingly used to attract and retain remote workers with a focus on IT specialists (e.g. software engineers, web developers, UX / UI designers)
- » Clarifying rules and streamlining administrative procedures, digital nomad visa allow foreign nationals to enter a country, stay and work remotely for a defined period of time
- » Estonia was the first country introducing a digital nomad visa programme in 2019. Since then, more than 30 programmes were launched around the globe (see table on the right)
- » In addition, several countries have announced plans to offer such programmes including Albania, Italy, Montenegro, North Macedonia, Serbia, Spain, South Africa and Colombia

### States and territories offering digital nomad visa programmes

<b>Africa</b>	Cabo Verde, Namibia, Seychelles
<b>Asia</b>	Indonesia, Malaysia, Sri Lanka, United Arab Emirates
<b>Europe</b>	Croatia, Cyprus, Estonia, Greece, Hungary, Iceland, Latvia, Malta, Portugal, Romania
<b>Latin America and the Caribbean</b>	Anguilla, Antigua and Barbuda, Argentina, Aruba, Barbados, Belize, Bermuda, Brazil, Cayman Islands, Costa Rica, Curaçao, Dominica, Ecuador, Montserrat, Panama, Saint Lucia

Sources: Migration Policy Institute, own research

# A) Dedicated visa programmes (2/4)

## Digital nomad & freelance visa

- » Typical features and conditions of digital nomad visa include:
  - Permission to reside and work remotely for an employer based outside the country
  - Minimum income requirements / proof of sufficient funds to cover expenses
  - Ban on working for or engaging in local companies
  - Allowing accompanying family members
- » Beyond these common features, the design of digital nomad visa programmes varies considerably. In light of intensifying competition, governments are trying to find ways to stand out with their programmes, e.g. by:
  - Granting exemptions from income taxes
  - Providing online and / or fast-tracked application processes
  - Create temporary-to-permanent pathways offering remote workers on nomad visas to transition to more permanent residence
- » Some programmes are also limiting the eligibility to remote workers from specific (groups of) countries

# A) Dedicated visa programmes (3/4)

## Digital nomad & freelance visa

- » As already mentioned, digital nomad visa typically focus on remote workers employed by a company outside the country
- » Only few digital nomad visa include freelancers (e.g. Estonia, Malta), who work for several clients (based abroad) and play an important role in the IT industry
- » In addition, some countries (e.g. Germany, Czech Republic) have introduced dedicated visa programmes for freelancers – with a focus on work for local clients and beyond the IT industry

### Exemplary visa programmes covering freelancers

Country	Eligibility	Duration	Income requirements	Further incentives
Estonia – Digital Nomad Visa	Foreign nationals, who can perform their work remotely and are... <ul style="list-style-type: none"> <li>• employed by a company abroad or</li> <li>• freelancers with clients based abroad or</li> </ul>	Up to one year	Monthly gross income of 3,500 EUR	<ul style="list-style-type: none"> <li>• Some local work permitted provided that remote work remains main purpose</li> <li>• Visa holders can be accompanied by family</li> </ul>
Malta – Nomad Residence Permit	<ul style="list-style-type: none"> <li>• partners / shareholders of a company registered abroad</li> </ul>	Up to one year, with option to renew	Monthly gross income of 2,700 EUR	<ul style="list-style-type: none"> <li>• Exemption from income taxes</li> <li>• Visa holders can be accompanied by family</li> <li>• Online application</li> </ul>
Germany – Freelance Visa	<ul style="list-style-type: none"> <li>• Freelancers in certain professions (e.g. artists, engineers)</li> <li>• Applicants have to submit a financing plan and letters of intent from local clients</li> </ul>	Up to three years, with option to renew and apply for permanent residency	No predefined thresholds, but need to demonstrate the viability of the business case and resources for the initial period	<ul style="list-style-type: none"> <li>• Visa holders can be accompanied by family</li> </ul>
Czech Republic – “Zivnostenske Opravneni” Programme	<ul style="list-style-type: none"> <li>• Freelancers and self-employed with relevant professional qualifications and local clients</li> </ul>	Up to one year, with option to renew	Proof of savings of at least 5,600 ERU	<ul style="list-style-type: none"> <li>• Visa holders can be accompanied by family</li> </ul>

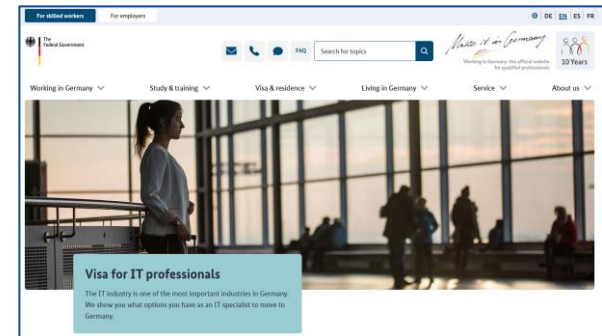
Sources: Republic of Estonia – E-Residency, Residency Malta Agency, Make it in Germany, Ministry of Foreign Affairs of the Czech Republic

# A) Dedicated visa programmes (4/4)

## Visa for IT professionals

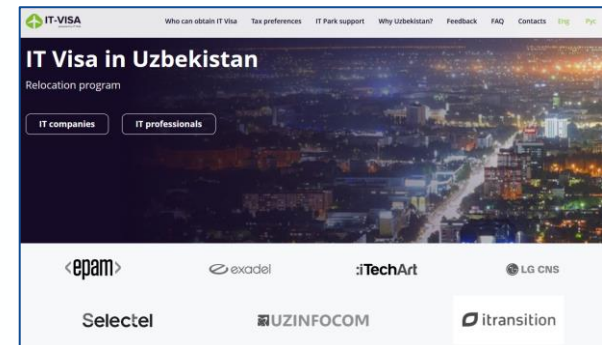
- » While the visa programmes mentioned so far have a broader focus in terms of industries / professions, some countries have recently launched dedicated schemes to attract and retain IT professionals
- » Germany is offering work visa (for up to four years) for IT professionals, who have:
  - A specific job offer in the German IT industry with a gross annual salary of at least 50,760 EUR
  - At least three years of professional experience in IT
  - Proof of relevant theoretical knowledge
  - Level B1 German skills (exemptions possible)
- » Uzbekistan has introduced a visa programme for IT professionals, investors and founders of IT Park resident companies covering up to four years

### Visa for IT professionals in Germany



Source: Make it in Germany

### IT Visa in Uzbekistan



Source: IT Park Uzbekistan

## B) Tailored incentive programmes

### Designing tailored incentive programmes to attract and retain talent

- » The schemes used at the international level differ considerably with respect to the policy objectives, target group focus and type of incentive
- » The examples below illustrate the spectrum of design options clearly indicating the need to align incentive schemes to the specific local context and existing policy framework

#### Exemplary incentive schemes to attract and retain talent

Country	Policy objectives	Target group focus	Type and key features of incentives
Romania - Tax exemptions for software development activities	<ul style="list-style-type: none"> <li>• Stimulate the development of the IT industry</li> <li>• Support companies to attract and retain highly qualified employees</li> <li>• Improve attractiveness of Romania as IT investment location</li> </ul>	<ul style="list-style-type: none"> <li>• IT professionals employed by companies specialised in software development (registered under defined NACE codes)</li> </ul>	<ul style="list-style-type: none"> <li>• IT specialists benefit from a full personal income tax exemption – still paying social security contributions</li> <li>• Beneficiaries need to demonstrate an adequate academic qualification</li> <li>• Tax exemption can be used without confirmation / approval by tax authority</li> </ul>
Cyprus – Tax exemptions for non-domicile employees	<ul style="list-style-type: none"> <li>• Attract and retain foreign talent</li> <li>• Improve attractiveness of Cyprus as investment location</li> </ul>	<ul style="list-style-type: none"> <li>• Non-domicile highly-skilled and high-earning employees of companies registered in Cyprus or abroad (incl. digital nomads)</li> <li>• No specific industry focus</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of the salary is exempt from income tax for a period of 17 years provided that:               <ul style="list-style-type: none"> <li>• The salary exceeds 55,000 EUR p.a.</li> <li>• The employee was not resident of the Republic of Cyprus for a period of 10 consecutive years</li> </ul> </li> </ul>
Germany (Federal State of Brandenburg) – Wage subsidies for talented graduates in innovation projects	<ul style="list-style-type: none"> <li>• Retain talent</li> <li>• Stimulate innovation activities of SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• (Foreign) graduates from local universities employed by SMEs for innovation projects</li> <li>• Focus on defined clusters (incl. ICT)</li> </ul>	<ul style="list-style-type: none"> <li>• Wage subsidy covers up to 50% of the gross salary and related expenses (e.g. training) for a period of up to 18 months</li> <li>• Graduates need to be hired for the first time and must not replace an existing position</li> </ul>

Sources: InvestRomania, Ministry of Finance of the Republic of Cyprus, Ministry for Economic Affairs, Labour and Energy of the Federal State of Brandenburg (Germany)

# C) Virtual IT parks

## Combining different incentives and policy tools with virtual IT parks

- » As illustrated by the example from Moldova, virtual IT parks combine different incentives and policy tools – e.g. tax incentives and visa programmes
- » The Moldova IT Park was established in 2018 to improve the country's competitiveness, retain talent and avoid relocations
- » Based on a virtual presence, residents can be located anywhere in Moldova, benefitting from:
  - Single 7% revenue tax
  - Special visa regime (work permits for up to 4 years)
  - Community platforms and networking services
- » So far, 1,250 residents have been registered with:
  - More than 15,300 employees
  - Revenues of close to 400 million EUR

### Moldova IT Park

The screenshot displays the Moldova IT Park website with the following content:

**Moldova Innovation Technology Park in numbers**

- 1,257 ACTIVE RESIDENTS
- 7.72 mlrd Lei FORECASTED REVENUE FOR 2022
- 15,300+ EMPLOYEES
- 203 COMPANIES WITH FOREIGN CAPITAL
- 41 COUNTRIES
- 871 NEWLY CREATED COMPANIES

**IT VISA**

Company benefits	Benefits for Talents
Moldova Innovation Technology Park supports and develops programs that help residents hire top specialists, including from abroad. The "IT Visa" Program was created exclusively for park residents, which you can learn more about on our YouTube channel	Talents in the tech field are in great demand everywhere in the world. This does not surprise anyone anymore. MITP proposes an innovative solution to attract specialists from abroad. The key word is Remotization (remote work). Thanks to the reforms proposed by us, virtual presence is one of the benefits offered by the Park.

**Eligible activities**

IT activities, creative industry and research and development activities (based on specialised high-performance computing equipment) can be carried out within MITP. Eligible activities are listed in Article 8 of Law 77/2016 on IT parks must generate at least 70% of the resident's turnover. They refer to the CAEM-2 and CSIR-2, harmonised with similar classifiers applicable at the European and international levels. Below you can see some of the most common eligible activities:

- Custom software development, including programming, modification, testing and support of software products;
- Editing software products:
  - Computer games.
  - Operating systems.
  - Corporate applications;
  - Tech consultancy, including computer systems planning and design;
  - Management and operation of computer systems;
- Manufacturing of hardware such as microprocessors or integrated circuits;
- Data processing, administration of web pages;
- Operation of web portals;
- Research and development in biotech;
- Cinematic post-production, including special effects and animated films;
- Specialized design based on high-performance hardware;
- Computer training.

Source: Moldova IT Park

## D) Aftercare programmes

### Using structured and target group oriented aftercare programmes to retain investment, attract (re)investment and enhance the impact

- » The role and focus of aftercare programmes is significantly changing around the globe
- » Considering aftercare a cost-effective way to retain investment, secure (re)investment and enhance the impact, recent reforms...
  - Prioritise specific targets groups such as investors in the ICT industry
  - Emphasise recruitment and matchmaking services connecting new investors with the business community
  - Follow a systematic and pro-active approach
- » Insights gained as part of aftercare activities are translated into advocacy efforts and policy advice for investment climate reforms

#### Aftercare programme of the investment promotion agency (IPA) Berlin Partner (Germany)

Berlin Partner, the IPA of the Federal State of Berlin, has introduced a structured aftercare programme with a focus on the ICT industry:

- A dedicated key account manager was recruited, who is in charge of maintaining close contact to approximately 100 ICT investors that were selected based on defined criteria
- As part of a systematic key account management, regular meetings are organised with each investor to discuss previous and planned projects, challenges and support needed
- The aftercare services were defined in close cooperation with strategic partners, incl. local administrations, chambers and associations, the employment agency and cluster initiatives
- The support offered integrates the agency's own as well as the services of the strategic partners
- The joined service portfolio focuses on the areas sites & real estate, recruitment & training, finance & incentives, permits & administrative processes, clusters & networks (e.g. connecting investors with local companies and innovation partners)

Source: Berlin Partner for Business and Technology GmbH

# E) Investment facilitation services

## Widening the scope of investment facilitation services to secure both investment and talent

- » Many IPAs and management organisations of industrial and technology parks have recently extended their facilitation services
- » The aim is to fast-track the implementation and integration of investment projects
- » For the communication, so-called service packages are commonly used. A typical “Talent Service Package” comprises:
  - Visa and immigration services (e.g. assistance in applying for work and residence permits)
  - Welcome services (e.g. support in finding apartments, schools etc.)
  - Recruitment services (e.g. job portals, pre-selection of suitable candidates)

### Welcome services of the Potsdam Science Park (Germany)

With a team of three dedicated staff members, the management of the Potsdam Science Park is offering a broad range of welcome services for companies and research institutions as well as their employees, incl.:

- Language school
- (Dual) career planning services
- Short-term accommodation (Guest House in park)
- Assistance in finding apartments, schools, childcare and healthcare services
- Navigating & fast-tracking administrative processes

The screenshot displays the website for Potsdam Science Park, specifically the 'Welcome Service' page. The navigation menu includes 'The Park', 'Real Estate Offers', 'Transfer & Startup Services', 'Events', 'News', and 'Blog'. The 'Services' section is expanded to show options like 'Jobs', 'Career Planning', 'Health', 'Mobility Services', and 'Download Centre'. The main content area features four service cards: 'Accommodation' (with a key icon), 'Childcare' (with a group of children), 'Insurances' (with a person on a chair), and 'Healthcare' (with a person receiving a massage). Each card includes a brief description and a 'Request for Support' link.

Source: Potsdam Science Park



# F) Linkages between start-ups and business/science

## Promoting linkages between start-ups and the business & science community

- » Similar to the approach taken towards investors, various governments are trying to integrate start-ups more closely in the local economy recognising:
  - Contribution of start-ups to innovation ecosystem
  - Increasing mobility of start-ups and competition between countries and regions
- » Next to personal business partner mediation services and training / mentorship programmes, matchmaking events are commonly used
  - Focusing on specific industries or fields of technology, e.g. HealthTech, EdTech or Smart Infrastructure
  - Connecting start-ups with established companies with pitching and reverse pitching formats
  - Providing start-ups with an overview of available support services and instruments

### “Science & Startups meet Industry” initiative (Germany)



Source: Science & Startups Berlin

### “Rising UP in Spain” programme



Source: ICEX Trade and Investment

# G) Specialised zones and parks

## Developing specialised free economic zones (FEZs), industrial and tech parks

- » Traditionally, FEZs aim at stimulating industrial investment with a value proposition focusing on corporate tax incentives and industrial infrastructure
- » Some countries have started to reposition their zone / park programmes. A different zone type is emerging targeting digital talent, start-ups and tech-driven and asset-light investments
- » The value proposition has been shifted towards:
  - Personal income tax incentives
  - “Plug & play models” including co-working space and office buildings for rent
  - Incubator and accelerator programmes
  - Attractive residential areas and social amenities
  - Streamlined administrative services

### Zones targeting digital talents, start-ups and investment



Sources: Cayman Enterprise City (Cayman Islands) and Prospera Special Economic Zone (Honduras)

### **3. Current situation and potential for the IT industry**

## 3.1 GET survey: influx of high-skilled IT talent

### Survey findings confirm a substantial inflow of IT professionals in Georgia

- » According to the Ministry for Internal Affairs, 45,000 Russian and Belarusian citizens have relocated to Georgia between 24 Feb and 31 May 2022
- » A survey by CRRC on behalf of GET indicates **high employment and skill level**
  - 74% of respondents are employed
  - High skilled, white-collar activities account for the majority (60%) of jobs
- » Information and communication is the main sector of employment (59% of respondents) followed by professional, scientific and technical services (15%)
- » Currently, an additional survey is carried out to update and complement the findings

#### Sector of employment of Russian and Belarusian citizens having relocated to Georgia between 24 Feb and 31 May 2022 (% of respondents)



Source: CRRC / German Economic Team (GET)

## 3.2 Overview of potential benefits

In principle, the relocation of IT companies and talent offers the following potentials to accelerate the development of the IT industry

### Relocations, (re)investments and related spillovers

- Scaling up relocation projects and attracting (re)investment projects benefiting from an improved value proposition
- Enhancing the contribution of foreign investors towards strengthening the skills base and innovation transfer

### Start-ups and entrepreneurship

- Promoting entrepreneurship and Georgia's start-up ecosystem
- Fostering the development of foreign IT start-ups and freelancers and embedding them in the innovation system

### Employment and SME development

- Facilitating the recruitment of foreign IT specialists by Georgian companies
- Retaining talent in the country and strengthening the competitiveness of the local IT industry and SMEs

## 3.3 Relocations, (re)investments and spillovers

**According to the interviews with IT companies and experts, the most promising potential relates to scaling up existing and attracting (re)investment projects**

- » Already with the introduction of the “International Company” scheme in 2020, IT-related FDI activities started to increase in Georgia (e.g. EPAM investment)
- » In the context of the war in Ukraine, relocation dynamics have accelerated
  - According to the interviews, **relocations from Russia to Georgia are mainly carried out by Western investors – in particular US companies**
  - In addition, relocations from Belarus played an important role in the recent past
- » The interviews indicate a **promising potential to retain and scale up existing projects** – in particular of Western investors – and to attract (re)investments
- » However, the **interaction between foreign investors**, which have also relocated most of their staff to Georgia, **and the local IT community is still rather limited**
- » Further **challenges pointed out relate to the current visa regime**, which is not offering a long-term perspective for foreign IT specialists, as well as in some cases to administrative procedures (e.g. applications for the “International Company” scheme) and onboarding issues (e.g. finding apartments and schools)

## 3.4 Start-ups and entrepreneurship

**In comparison, the entrepreneurship potential seems to be rather limited – at least in the short term**

- » While a number of tech start-ups has relocated from Russia and Belarus to Georgia, there is still a **low level of integration in the local ecosystem**
- » Amongst others, **GITA is offering a range of support programmes** for start-ups and aspiring entrepreneurs, including an international accelerator programme
- » However, the **interest by Russian and Belarusian IT specialists and start-ups** in those programmes seems to be **limited so far**
  - Reasons could include a lack of scalable business ideas and a preference for a position as employee
  - Furthermore, it remains unclear to what extent the relocated start-ups and (potential) entrepreneurs are planning to stay in Georgia
- » In this context, the **size and early stage of development of the IT and start-up ecosystem** should also be considered

**International accelerator programme offered by GITA, 500 Global and Bank of Georgia**



Source: 500 Global

## 3.5 Employment and SME development

**Equally, the recruitment potential for local IT companies is currently rather limited**

- » The **majority of foreign IT specialists** moved to Georgia as part of relocations and is – at least currently – **not seeking employment in local IT companies**
- » This has been confirmed in the interviews with local companies, which reported no or only few applications from foreign IT specialists for open positions
- » Effectively, there are two separate recruitment “**bubbles**” (foreign vs. local)
- » In addition, local companies are taking a recruitment approach geared towards **community building** hiring employees they already know from previous projects
- » Due to **higher salaries in relocated companies**, there is the risk that local SMEs ...
  - **Cannot tap the (limited) recruitment potential** related to relocated IT talent
  - Are facing an **increasing competition for local IT talent** once the relocated companies are intensifying their recruitment activities
- » Both local and relocated IT companies emphasised the **need for further educational and training programmes** to improve the skills base in the country



## 4. Conclusions and recommendations

## 4. Conclusions and recommendations (1/4)

**There is a need to combine policy measures to retain and integrate relocated companies and talent (short-term) and strengthen the ecosystem (long-term)**

- » In principle, the findings indicate a **promising potential to accelerate the development of Georgia as an IT location** in light of the relocations
- » However, a **leapfrogging effect** can only be realised, if:
  - A substantial part of the relocated companies and talent stays in the country
  - The relocated companies and talent can be integrated into the local IT community
  - The IT and start-up ecosystem, which is still at an early stage, can be strengthened to create a conducive environment and ensure a sustained development process
- » Currently, the **(positive) impact on the local IT industry is limited**. There are two IT communities (“bubbles”) with limited interaction
- » Considering the findings, there is need to combine:
  - A **short-term approach** focusing on **retaining and integrating the relocated companies and talent complemented by targeted promotional measures**
  - A **long-term approach** aiming at the **development of the relevant ecosystem**

## 4. Conclusions and recommendations (2/4)

**Against this background, the following recommendations can be derived:**

- » Introduce a dedicated IT visa programme / residence permit to retain talent and improve Georgia's value proposition as IT location
  - Providing a reliable pathway for foreign IT talent (beyond Russia & Belarus) to stay in the country for 3-5 years – covering both employed IT specialists and freelancers
  - Reflecting existing visa agreements and IT talent potentials and clearly defining eligible activities and necessary qualification
  - Offering a reduced income tax rate (e.g. 5%) aligned with existing incentive schemes
- » Intensify aftercare and facilitation measures with a focus on linkage promotion
  - Building upon existing initiatives by Enterprise Georgia (e.g. with EBRD assistance)
  - Establish a key account management for IT investors focusing on direct engagements to identify challenges, (re)investment potentials and support needed
  - Widen the scope of matchmaking formats to promote linkages between the foreign and local IT and start-up ecosystem
  - Strengthen welcome services (e.g. assistance in applying for proposed IT visa) and streamline relevant administrative processes (e.g. “International Company” scheme)

## 4. Conclusions and recommendations (3/4)

The following recommendations can be derived (cont.):

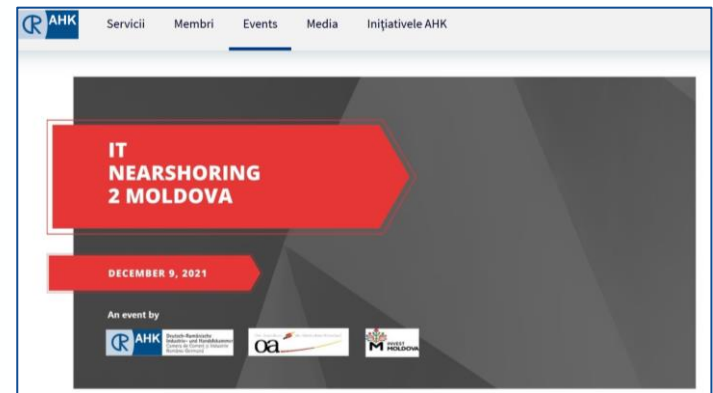
» Complement facilitation / aftercare activities with targeted promotional measures leveraging the improved value proposition

- Focusing on measures allowing a direct communication with the target audience across several countries (e.g. lead generation campaigns and virtual events)
- Addressing in particular SMEs in the US and Western European IT industry
- Promoting Georgia as emerging digital talent hub

» Establish effective association and communication structures improving interaction between the local and relocated IT community and the Government

- Building upon existing structures such as the Digital Transformation Council, Georgian ICT Cluster, Georgian ICT Association and ICT Business Council of Georgia
- Communicating the needs of the IT industry in consultations for the design of future strategies and policy tools

Virtual event to promote Moldova as IT nearshoring location



Source: AHK German-Romanian Chamber of Industry and Commerce

## 4. Conclusions and recommendations (4/4)

### The following recommendations can be derived (cont.):

- » Building upon the experience gained, embed the short-term measures outlined so far into a **road map for the development of the Georgian IT industry with a long-term focus**
  - Once a clearer picture exists, to what extent the relocated companies and IT specialists are going to stay in the country
  - Following a **comprehensive and coherent approach** addressing the interfaces between different policy areas – e.g. immigration, investment, innovation and education policy
  - **Emphasising education & training** to strengthen the skills base exploring new ways to foster collaborative human capital development and building upon existing initiatives, e.g. training programmes offered by GITA or investors such as EPAM
  - Assessing also the need for policy measures addressing the **hard infrastructure**, e.g. specialised free economic zones or IT parks, incentives for the development of office and residential space

# About the German Economic Team

Financed by the Federal Ministry for Economic Affairs and Climate Action, the German Economic Team (GET) advises the governments of Ukraine, Belarus\*, Moldova, Kosovo, Armenia, Georgia and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

*\*Advisory activities in Belarus are currently suspended.*

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