

ONI

INVESTING IN THE TREASURE OF NATURE



ONI MUNICIPALITY

Investment Profile



The investment profile was developed within the scope of the project “Forestry Regional and Local Development in Georgia. Phase II” which is implemented by the United Nations Development Programme (UNDP) with financial support from the Ministry of Regional Development and Infrastructure of Georgia, the Swiss Agency for Development and Cooperation (SDC) and the Austrian Development Cooperation (ADC).

Oni Municipality is responsible for the content of this publication.



A WORD FROM THE MAYOR

The city of Oni is one of the oldest settlements in Georgia. It has historically been distinguished by its diversity and characteristic features. For centuries, Oni was an important economic center, with several trade routes and developed both rural and urban life.

Oni diversity includes a variety of natural landscapes, rivers, mineral waters, flora and fauna. Representatives of different religions and ethnicities have coexisted peacefully in Oni for a long time. All this gave its uniqueness to this small town of mountainous Racha.

A significant advantage of the municipality is its resort potential (including balneological and skiing) and the unique environment to produce natural and ecologically clean products related to it. The construction of a new road (Sachkhere-Oni), which is nearing completion, will significantly improve access to Oni Municipality and reduce time costs.

Today, in the twenty-first century, it is the duty of all of us to transform these advantages and potentials of our city and municipality into the basis of its advancement, economic empowerment and sustainable development. Oni still has all the prerequisites for rapid progress and I am sure this thought and dream of all of us will become a reality through our and your common efforts.

David Chikvaidze

Mayor of Oni Municipality

TOP 8 REASONS TO INVEST IN ONI

Why Oni Municipality?

- 1 Hydro power resources and significant investment potential
- 2 Diverse cultural heritage monuments and other landmarks
- 3 Renowned balneological and recreational resorts (Shovi, Utsera)
- 4 Wealth of natural resources with high industrial, energy and recreational potential
- 5 Unique environment for natural and eco produce
- 6 Potential for ski resort development
- 7 Access to tax benefits for high mountainous areas
- 8 Opportunity to develop diverse tourism directions (including eco-tourism and pilgrimage tourism)





HISTORY AND WEALTH OF TRADITIONS

- ✓ Scientists believe that Oni was founded in the 2nd century BC
- ✓ Bronze age artifacts discovered in the territory of Oni dating back to 6-7th centuries BC
- ✓ A medieval crossroads of the North Caucasus, Kartli, Imereti and kvemo (lower) Racha
- ✓ An important trade center of the Racha region in the 19-20th centuries
- ✓ A rich tradition of craftsmanship
- ✓ A medieval castle palisade and a synagogue are among Oni's most important landmarks
- ✓ A balneological resort established in Shovi in 1929
- ✓ The construction of a new road connecting Sachkhere with Oni began in 2019



GENERAL CHARACTERISTICS OF THE MUNICIPALITY



Population - **6 130**



Female - **52.8 %**

Male - **47.2 %**

Urban Settlements - **45 %**

Rural Settlements - **55 %**

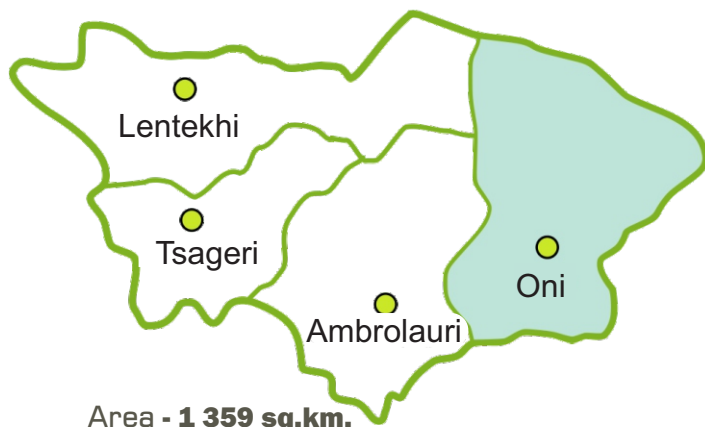


Households - **2 550**

Total Labor Force

(+ 15 age group) - **83.5%**

MAP OF MUNICIPALITY



Area - **1 359 sq.km.**

GEOGRAPHY & CLIMATE

A Plethora of picturesque landscapes
(ranging between 600-4462 m above sea level)

- ☒ Located in the northeast of Western Georgia
- ☒ Humid subtropical maritime climate
- ☒ Located in high mountainous zone
- ☒ Moderately humid climate
- ☒ Moderately cold winter and long, warm summer
- ☒ Snowfall typical of a high mountainous area
- ☒ Average annual temperature of +10°C
- ☒ Average temperature in January: -1°C
Average temperature in July: +20.4°C
- ☒ Average annual precipitation - 1000-1100 mm

LOCATION AND ACCESS TO MARKETS



Ambrolauri Airport - 30 km

David the Builder International Kutaisi Airport - 130 km.;



Poti Sea Port - 195 km.;



Nearest railway stations
(passenger trains and freight):

Tkibuli - 64 km.;

Kutaisi - 97 km.;



Distance to main cities:

Tbilisi - 300 km.;

Kutaisi - 100 km.;

Ambrolauri - 25 km.;

LOCATION ADVANTAGES

Easy access to large markets after
the new Sachkhere-Oni road is completed





EDUCATION

Well functioned pre-school facilities

- ✓ Nine public school
- ✓ Three informal educational institutions



HEALTHCARE

Good access to healthcare infrastructure and services

- ✓ Oni Central Hospital
- ✓ 12 primary healthcare facilities



INFRASTRUCTURE

- ✓ Full electricity coverage
- ✓ Well-functioning communications and infrastructure
- ✓ Gasification projects are ongoing in villages
- ✓ Infrastructure constantly being maintained and improved
- ✓ Improving road infrastructure
- ✓ Orderly sewage system, drainage, and protective walls by roadsides
- ✓ Improving access to water systems in the villages



ENVIRONMENTAL PROTECTION

Rich with water and forest resources

- ✓ Forest coverage: 50%
- ✓ Virgin forests characterized by biodiversity
- ✓ Prioritized waste management system being improved



MAIN SECTORS OF ECONOMY



Agriculture

- Stockbreeding
- Apiary production
- Olericulture
- Fruit farming



Industry

- Rich energy resources



Crafts

- Arts and crafts based on long and rich traditions



Unique conditions for the production of organic meat and dairy products



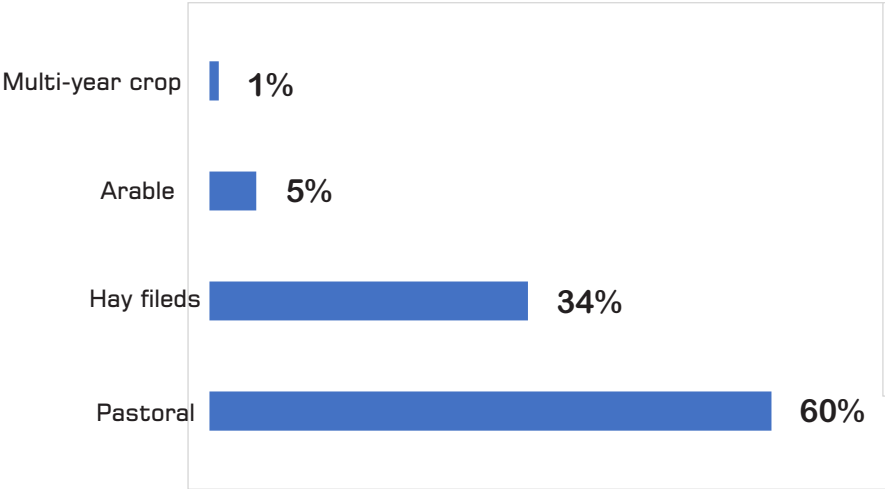
Rachian ham - A signature feature of the local cuisine



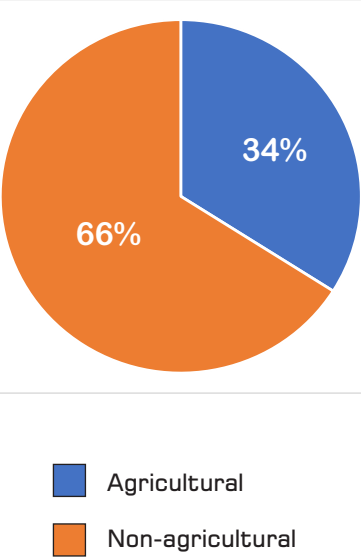
LAND ASSETS AND POTENTIAL FOR USE

- 50% of the municipality (136 ha) is covered by forests
- Potential for collection and processing of non-wood forests products
- Extensive pastures
- Environment conducive to the production of agricultural produce
- Potential for the development of nut crops

Agricultural lands



Land assets by category





FOSSIL FUELS & NATURAL RESOURCES

Wealth of hydrological resources with potential for small and medium capacity power plants

Wealth of untapped minerals and natural resources

Abundance of medicinal mineral waters and renowned resorts of Shovi and Utsera

NATURAL RESOURCE (Category)		AMOUNT OF RESOURCES (thousand tonnes)
Manganese	.....	4 218
Gold	.....	18
Molybdenum	.....	52
Zync and lead	.....	14.2
Antimony	.....	3.67
Mercury	.....	177.3
Cutting stones	.....	2.82
Construction gravel	.....	6.6
Baryte	.....	1.8



MAJOR PROJECTS (ONGOING AND PLANNED)

- ✓ Construction of a 45 km road connecting Sachkhere and Oni
- ✓ Rehabilitation of the road connecting Ghebi village with Svaneti
- ✓ Construction of small and medium capacity hydro power plants
- ✓ Wide-sale rehabilitation of public spaces in Oni
- ✓ Construction of a new building for Oni Ethnographic Museum
- ✓ Development of land use master plan for Utsera, Shovi and Mravaldzari



BUSINESS ENTITIES IN ONI

231 registered entities including 175 individual enterpreniuers ●

96 % increase in revenues of enterprises between 2015 and 2019 ●

86% increase in production price between 2015 and 2019 ●

50% growth in mountainous mining ●

Key sector: wholesale and retail trade ●

Average monthly salary 642 GEL
(approximately 200 USD) ●

61 guesthouses with trained personnel ●





TOURISM POTENTIAL IN AMBROLAURI



MEDICINAL - RECREATIONAL TOURISM



16 varieties of mineral springs in Shovi



28 varieties of mineral springs in Utsera



SKI TOURISM



Significant resources in Shovi and Utsera



Excellent locations of Shkmeri and Mravaldzari



ECOTOURISM



Trails with picturesque scenery and unique caves



Potential for the development of hunting, horseback riding and other forms of adventure tourism



PILGRIMAGE TOURISM



A wide variety of historical, cultural, and religious monuments



AGROTOURISM



Organic agricultural products



Construction of agrotourism infrastructure in the village of Mravaldzari



BUSINESS-ENABLING ENVIRONMENT

- ✓ State and local laws promote investment activities;
- ✓ Simple and efficient procedures for obtaining licenses and permits;
- ✓ Convenient conditions for property registration and management;
- ✓ Various business services available in one place under the “one-window” principle within the municipality; and
- ✓ Flexible conditions for employees.



LOW BUSINESS COSTS

- ✓ Easy-to-administer tax system and flexible dispute resolution procedures;
- ✓ Easy to start a business;
- ✓ Proximity to free industrial zones and low logistics costs; and
- ✓ Favorable real estate prices.
- ✓ Environment conducive to organic production and lowering of production costs



LOW AND EFFICIENT TAXATION CONDUCTIVE TO BUSINESS

- ✓ Corporate Profit Tax of 0% or 15% encourages reinvestment
- ✓ Personal Income Tax – 20%
- ✓ VAT – 18%
- ✓ Property Tax – 1%
- ✓ Customs/Import Tax – 0%, 5%, or 12%
- ✓ Personal income Tax for Interest, Dividends, Royalties – 5%

- ✓ Pension Contribution - 6% (2% paid by Employer, 2% paid by Employee, 2% by Government)
- ✓ Double taxation avoidance treaties with 55 countries

POTENTIAL EXPENDITURES	AMOUNT
ELECTRICITY	0,20 GEL/kWh
WATER SUPPLY	4,31Gel/Ton
NATURAL GAS	0.95 Gel/m ³
WASTE MANAGEMENT (monthly fee)	0,01 GEL - total area 1 m ²
PROPERTY TAX ON LAND	Non-agricultural land – 0.24 Gel/m ²
CONSTRUCTION PERMIT	1 m ² – 1 Gel

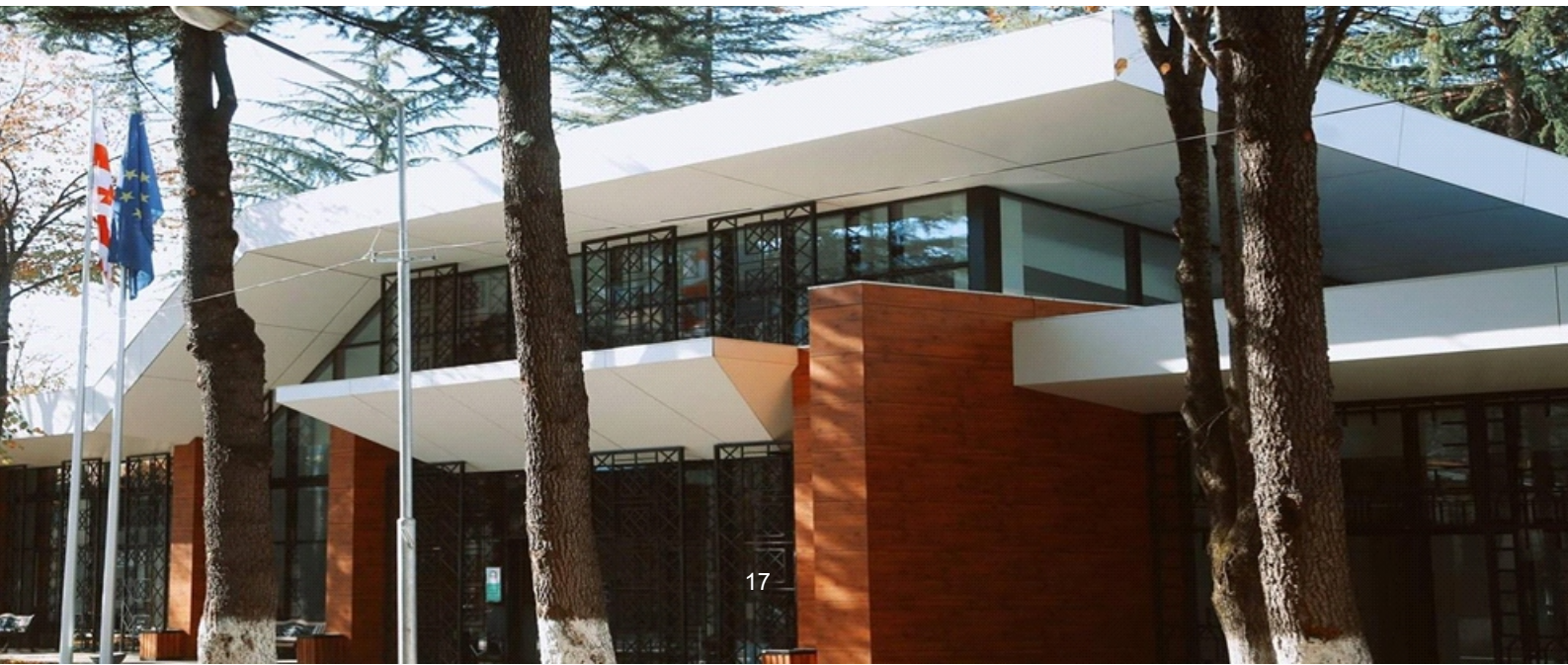


GOVERNMENT SERVICES FOR BUSINESSES

The Mayor office of Oni Municipality is always ready to provide information and offer consultation

Locally available services for business:

- Regional Information Consulting Centers of the Ministry of Environmental Protection and Agriculture including the provision of information about programs planned by the ministry
- Food safety and Veterinary Service
- National Archive of Georgia
- Justice House
- National Agency of Public Registry
- LEPL - Social Service Agency





ADVANTAGES OF DOING BUSINESS IN HIGH MOUNTAINOUS SETTLEMENTS

- All the settlements in Ambrolauri municipality have been granted the status of high mountainous settlements according to the Law of Georgia on the Development of High Mountainous Regions.
- Therefore, business entities registered in Ambrolauri Municipality have tax privileges stipulated by the Law.
- Business entities which, in accordance with the legislation of Georgia, have been granted the status of a high mountainous settlement enterprise have tax relief from Corporate Profit Tax, Personal Income Tax, and Property Tax.

TAX CATEGORY	TAX RELIEF
PERSONAL INCOME TAX	Tax free incentives under 6 000 Gel
CORPORATE PROFIT TAX	Tax exemption for 10 years
PROPERTY TAX	Tax exemption



ADVANTAGES OF THE INVESTMENT CLIMATE IN GEORGIA

Gateway from Europe to Asia and vice versa



Free trade agreements covering 2.3 billion customers



Association Agreement and Deep and Comprehensive Free Trade Area (DCFTA) with the EU



7th easiest country to do business in
(1st among European countries) according to World Bank's Ease of Doing Business Report 2020



6th safest country in the world according to Numbeo's Crime Index 2019



Relatively low labor and operational costs
for businesses



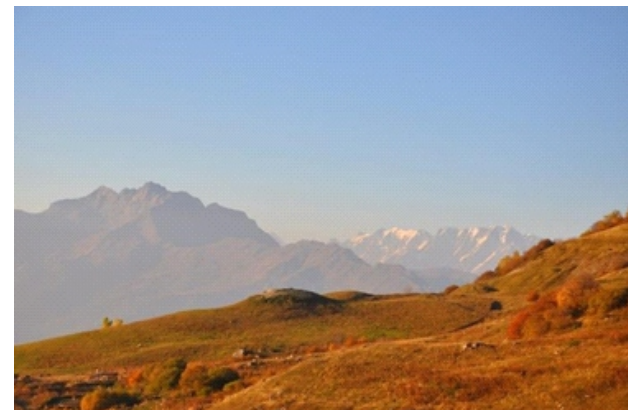
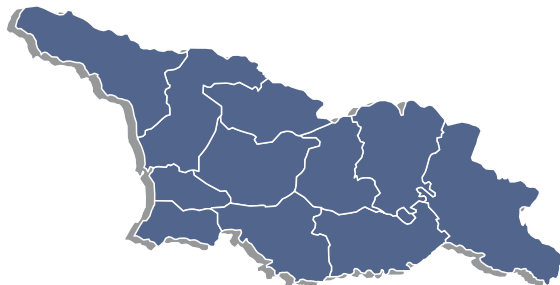
Simple, low and efficient taxation with tax
reliefs and business-supportive incentives



Property tax – 1% or below



Georgia has signed bilateral investment
treaties (BITs) with 33 countries and has been a
member of the ICSID Convention since 1992



STATE SUPPORTED OPPORTUNITIES

Government Supports Agriculture, Service and Hospitality Industries



ENTERPRISE GEORGIA

The State Agency "Enterprise Georgia"

Covers the Following Areas:

- ✓ Industrial component;
- ✓ Hotel industry;
- ✓ Micro and small business support;
- ✓ Film in Georgia;
- ✓ Credit guarantee mechanism;
- ✓ Balneological resorts industry; and
- ✓ Tourism services industry.



Rural Development Agency

Rural Development Agency

- ✓ Preferential agrocredit and agroinsurance;
- ✓ State program co-finances harvesting machinery;
- ✓ Co-financing of processing and storage enterprises;
- ✓ Supports organization of nursery gardens and planting of berry, nut, and other trees; and
- ✓ Promotes other agricultural activities.



GEORGIA'S INNOVATION & TECHNOLOGY AGENCY

Georgia's Innovation and Technology Agency

- ✓ Promotes commercialization of knowledge and innovation to stimulate the country's rapid economic growth;
- ✓ Techparks and innovation centers;
- ✓ FabLabs - high-tech workshops equipped with tools offering customers digital fabrication; and
- ✓ Business incubators, IT trainings, boot camps, Startup Georgia, and other successful projects.



JSC Partnership Fund (PF)

- ✓ Aims to attract and encourage private investors;
- ✓ Supports commercially viable investment projects; and
- ✓ Energy, agriculture, manufacturing, and tourism sectors are top priorities as these sectors are largely untapped and have great potential for further development.

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

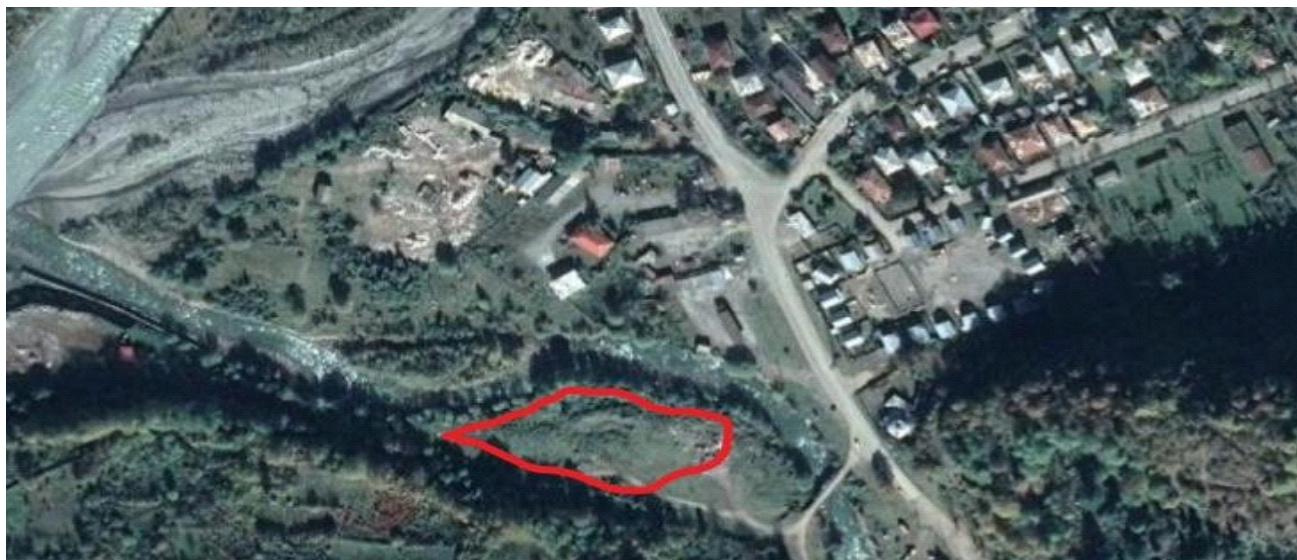
4 253 m² of non-agricultural land in Oni town



—● LOCATION

Oni town in the vicinity of a main road and recreational zone

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Can be used to build a tourist-entertainment facility

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

1 442 m² of non-agricultural land including building in Oni town



—● LOCATION

Oni town in the vicinity of a main road and recreational zone

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Can be used for multi functional complex

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

5 464 m² of non-agricultural land including building in Oni town



—● LOCATION

Oni town in the vicinity of river and recreational zone

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Entertainment and leisure facility

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

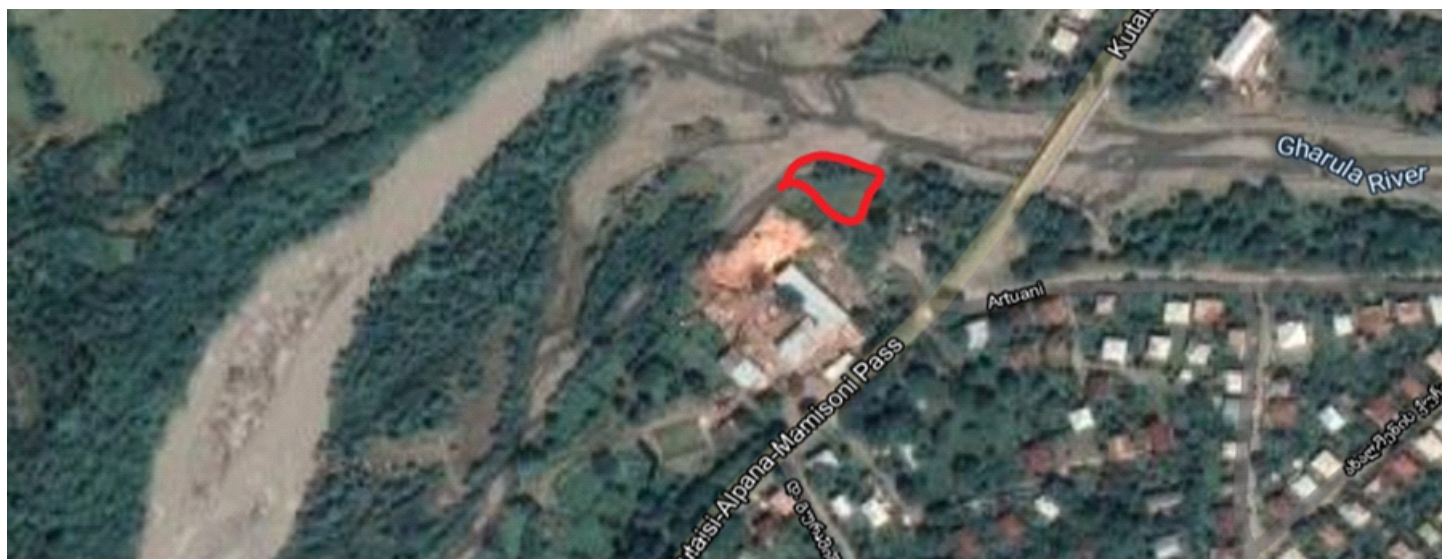
1 048 m² of non-agricultural land in Oni town



—● LOCATION

Oni town

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Industrial/Warehouse facility

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

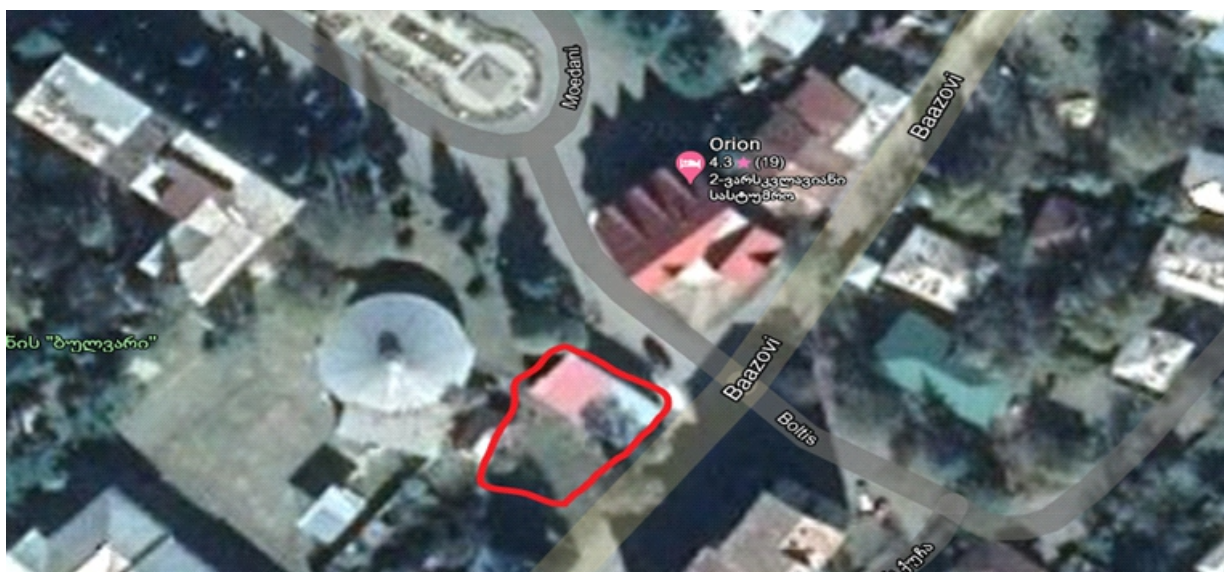
780 m² of non-agricultural land including building in Oni town



—● LOCATION

Oni town in the vicinity of central square

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Trade facility

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

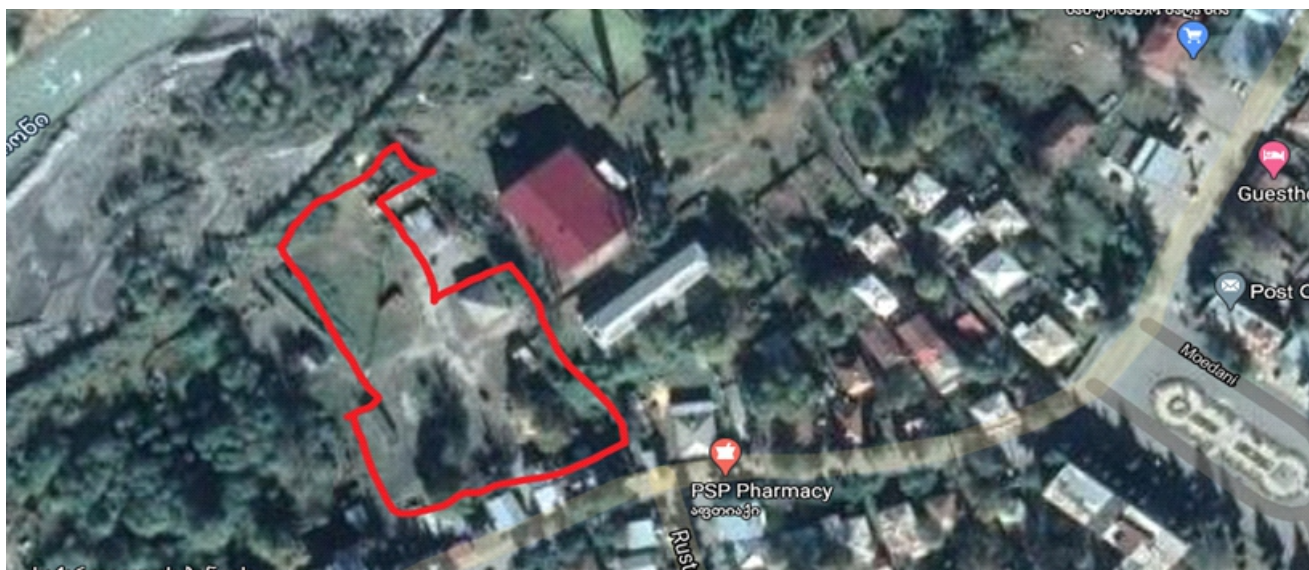
8 036 m² of non-agricultural land in Oni town



—● LOCATION

Oni town

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Local Government



—● POTENTIAL

Trade facility

GOVERNMENT-OWNED PROPERTIES AVAILABLE FOR INVESTMENTS

971 m² of non-agricultural land in Ghunda village



—● LOCATION

Ghunda village in the vicinity of main road and recreational zone

Good access to road infrastructure and utilities (water and electricity) are available



—● OWNERSHIP

Central Government



—● POTENTIAL

Hotel, Leisure complex

FOR MORE INFORMATION:

Investment Climate & Opportunities in Georgia (2019)

<http://www.enterprisegeorgia.gov.ge>

OTHER USEFUL LINKS:



Invest in Georgia

www.investingeorgia.org

Ministry of Economy and Sustainable Development

www.economy.ge

Ministry of Finance of Georgia

www.mof.ge

Ministry of Environmental Protection and Agriculture of Georgia

www.mepa.gov.ge

Ministry of Regional Development and Infrastructure of Georgia

www.mrdi.gov.ge

JSC Partnership Fund

www.fund.ge

INFORMATION SOURCE

Oni Municipality

www.oni.gov.ge

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