



APPAREL FAMILIARIZATION TRIP

FOR KARDEM TEKSTIL COMPANY

FINAL

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USAID ECONOMIC PROSPERITY INITIATIVE (EPI)

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DATA

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ABSTRACT

This trip report describes the visit of potential Turkish investor, Kardem Tekstil, to Georgia to learn more about the Georgian apparel investment climate and local apparel market. Kardem is currently interested in looking closer at Georgia as a new investment and outsourcing markets. Contacts with Kardem Textile were established with assistance from EPI's short-term consultant Selen Poyraz, Deloitte Consulting Istanbul Office. Kardem's trip to Georgia was initiated, designed, organized, and implemented by EPI and the Georgian National Investment Agency (GNIA) after meeting the owner of Kardem Tekstil, Mr. Zeki Erdogan, at the 4th Istanbul Fashion and Apparel Conference in Turkey in May 2011.

ABBREVIATIONS

EPI	Economic Prosperity Initiative
GNIA	Georgian National Investment Agency
MoESD	Ministry of Economy & Sustainable Development

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I. EXECUTIVE SUMMARY

Kardem Tekstil visited Georgia between 1 and 4 June 2011 to learn more about Georgia's apparel investment climate and local apparel manufacturers. The company is interested in both establishing a manufacturing base and establishing new outsourcing relationships with Georgian apparel manufacturers. The trip was initiated, designed, organized, and implemented by EPI and the Georgian National Investment Agency (GNIA) after meeting the owner of Kardem Tekstil, Mr. Zeki Erdogan, at the 4th Istanbul Fashion and Apparel Conference in Turkey in May 2011.

Kardem Tekstil's owner, Zeki Erdogan, General Manager, Bumin Fisek, and Sales and Marketing Manager, Ilke Onelge, held meetings with high level representatives of the Government of Georgia (including the Minister of Economy and Sustainable Development), Georgian apparel manufacturers, Turkish-owned apparel manufacturers, and Poti Free Industrial Zone, while visiting Tbilisi, Kutaisi, Ozurgeti, Poti, and Batumi.

The Kardem representatives also visited potential investment sites in Ozurgeti and Kutaisi that the hosts suggested, where they saw land options and former factory buildings that are under state ownership or private ownership that can be used for apparel manufacturing.

As a result of their trip, Kardem gave trial orders of 3,000 pieces to one of the local apparel manufacturers, Laura Gachava. They also expressed an interest in investing in the Georgian apparel sector to set up a clothing manufacturing facility in Guria or Kutaisi. However, Kardem representatives requested more information on Georgia's labor market in order to make an informed decision. ACT, EPI's subcontractor, was subsequently tasked with implementing the labor market survey.

II. APPENDICES

A. MEETINGS ARRANGED

B. TRIP ITINERARY

A. MEETINGS ARRANGED

GOVERNMENT SECTOR

1. Minister of Economy and Sustainable Development – Ms. Vera Kobalia
2. Head of GNIA – Ms. Ketii Bochorishvili
3. Head of Foreign Trade Department of MoESD – Mr. Mikheil Janelidze
4. Business Ombudsman – Mr. Giorgi Pertaia
5. Head of Economic Affairs of Kutaisi City Hall – Mr. Malkhaz Chrelashvili
6. Poti Mayor – Vakhtang Lemonjava
7. Head of Ozurgeti Municipality – Mr. Giorgi Takidze

PRIVATE SECTOR

8. Laura Gachava Apparel Manufacturer Owner – Ms. Laura Gachava
9. Elselema Apparel Manufacturer Owner – Mr. Elguja Mamasakhlisi
10. Miller and Company Apparel Manufacturer – Mr. Mileri Gvenetadze
11. Imeri Apparel Manufacturer Deputy Director – Mr. Zaza Gventadze
12. Rakia Free Industrial Zone General Director – Rony Saab
13. International Investors Association Secretary General – Mr. Irakli Samnidze
14. Adjara Textile Manager – Mr. Lasha Khalvashi

EPI REPRESENTATIVES

15. Non-Agriculture Sectors Component Leader – Mr. Alan Saffery
16. Apparel Sector Manager – Mr. Zviad Kvlividze

B. TRIP ITINERARY

Kardem Tekstil Meeting June 1-4, 2011 - Georgia	
Wednesday, 1 June 2011	
16:45	Arrival at Tbilisi airport and transfer to hotel
19:00	Meeting and Dinner with Deloitte Georgia (Radisson Blu Iveria Hotel)
Thursday, 2 June 2011 - Tbilisi	
10:15 – 10:45	Meeting with Vera Kobalia, Minister of Economy and Sustainable Development
11:00 – 11:30	Meeting with Ketil Bochorishvili, Georgian National Investment Agency and Mikheil Janelidze, Foreign Trade Department, Ministry of Economy & Sustainable Development
11:45 – 12:30	Meeting with Giorgi Pertaia, Business Ombudsman
12:30 – 13:30	Lunch – Puris Sakhli
13:45 – 14:45	Visit to existing manufacturer, Laura Gachava (Laura Gachava, Owner)
15:00 – 15:45	Visit to existing manufacturer, Miller and Co (Miller Gvenetadze, Owner)
16:00 – 17:00	Visit to existing manufacturer, Elselema (Elguja Mamasakhlisi, Owner)
18:00 – 18:40	Meeting with Rony Saab, Director, Rakia Free Industrial Zone
19:00 – 20:00	Dinner (optional)
Friday, 3 June 2011- Kutaisi	
07:30	Depart for Kutaisi
10:00 – 11:00	Visit to existing manufacturer, Imeri, Kutaisi (Zaza Gvenetadze, Director)
11:15 – 12:15	Visit to potential investment sites in Kutaisi, accompanied by Malkhaz Chrelashvili, Head of Economic Affairs of Kutaisi City Hall
12:30 – 13:30	Lunch
13:30	Depart for Poti
16:00 – 18:00	Visit to Poti Free Industrial Zone, accompanied by Poti FIZ General Director and Vakhtang Lemonjava, Poti Mayor
18:00	Depart for Batumi
19:00	Dinner with Irakli Samnidze, International Investors Association Secretary General and Alan Saffery, EPI Non-Agriculture Sectors Component Leader
Saturday, 4 June 2011 - Adjara	

09:00	Depart for Ozurgeti, Guria
10:00 – 11:45	Visit to potential investment sites in Ozurgeti, accompanied by Giorgi Takidze, Head of Ozurgeti City Municipality
12:15 – 13:00	Visit to existing manufacturer, Adjara Textile (Lasha Khalvashi, Owner)
13:30 – 14:30	Lunch
16:00	Arrival at Airport
17:05	Depart for Istanbul

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