



GEORGIA'S INNOVATION &  
TECHNOLOGY AGENCY

center for a new economy  
**Strategeast**

# GEORGIA'S IT INDUSTRY

The Great Leap Forward

**CASE STUDY 2020-2024**

# Georgia's goal in developing its IT industry

is to create a thriving IT industry fully integrated into the global economy, that will create tens of thousands of new jobs for Georgians with a salary 3-4 times higher than the country's average and focused on the export of high-tech products.

To achieve this goal, StrategEast collaborates with key stakeholders:

## Georgian government



MINISTRY OF FINANCE  
OF GEORGIA



MINISTRY OF ECONOMY AND  
SUSTAINABLE DEVELOPMENT  
OF GEORGIA



MINISTRY OF EDUCATION,  
SCIENCE, CULTURE  
AND SPORT OF GEORGIA



GEORGIA'S INNOVATION &  
TECHNOLOGY AGENCY

## Global IT industry



## International Institutions



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP



**European Bank**  
for Reconstruction and Development

## Universities



## Local Partners



**SILKNET**



**Georgia Association**

As part of building its IT industry,  
Georgia is working in four areas:



## ADVOCACY



In September 2020, the second StrategEast State and IT Eurasian Forum was held in Tbilisi. The forum brought together representatives of the Georgian government, international institutions, and the global and local IT industry.



The Georgian government hosted a high-level delegation of the European Union in Tech Park Tbilisi. The EU was interested in supporting innovation, the service sector, and small and medium-sized businesses.



In 2022, a meeting organized by the United Nations Women's Organization (UNWOMEN) was held in Tech Park. The topic of the meeting was the research project "Involvement of Women in the Information and Communication Technologies (ICT) Sector in Georgia" carried out by PwC Georgia.



In 2023, a delegation of International Monetary Fund visited Tech Park. IMF discussed with Georgian government tools the state should use to increase the involvement of Georgian private investors and investments in Georgian startups.

## EDUCATION



The IT HUB educational center was opened in February 2020 as an initiative of StrategEast with the support from leading American IT company EPAM Systems, Georgia's Innovation and Technology Agency, and BTU University.



The second-place team at the 2022 Millennium Innovation Competition will participate in the iD Tech camp at Stanford University in the USA, funded by GITA. The team members are students of the School of the American Academy.



In cooperation with the EBRD, the IT HUB was expanded to Georgian regions in 2023. Students living in Zugdidi, Gori, Kutaisi, Poti, Batumi, and other regional cities have begun their studies, after which they will receive their first job in their native region.



In 2024, in partnership with StrategEast, the Apple Authorized Training Center for Education (AATCE) was launched at several universities in Georgia. Microsoft for Startups held its Founders Hub Program, an event aimed to help startups find new growth opportunities with Microsoft.

## ECOSYSTEM CREATION



Jointly with major ICT companies operating in Georgia, StrategEast established the ICT Georgia Association as a platform to discuss ways to foster the IT industry development in the country.



In 2023, the 500 Global Acceleration demo took place at the initiative of GITA and the support of the Bank of Georgia. 13 company founders presented to an audience consisting of leading corporations and industry representatives.



At the 10th anniversary of GITA, Georgia's Prime Minister Kobakhidze declared that the Government of Georgia would grant a three-year income tax exemption to Georgian startups, a move aimed at fostering an environment conducive to innovation and entrepreneurship within the nation.



In April 2024, the first IT Hub Job Fair took place at the Georgian Innovation and Technology Agency, hosting 30 esteemed companies and welcoming a cohort of 100 accomplished alumni. This event marked a significant milestone in bolstering employment prospects within the Georgian IT sector and related industries.

## INVESTMENTS ATTRACTION



A webinar organized jointly by StrategEast and Enterprise Georgia introduced IT entrepreneurs from Eurasia to new opportunities for the IT industry in Georgia.



At the StrategEast State and IT Eurasian Forum in Tbilisi, EPAM founder Arkadiy Dobkin announced that EPAM would be launching operations in Georgia.



In 2022, the Ministry of Economy and Sustainable Development's Innovation and Technology Agency held its 150,000 GEL Co-financing Grant Program for the ninth time in Tech Park Tbilisi. Overall, 180 startups were funded under the aegis of this program.



The World Bank Regional Director's Meeting with Women-Led Startups was held in 2023 in Tech Park Tbilisi. The World Bank's Regional Director in the South Caucasus, Sebastian Molineus, and the Chairman of GITA, Avtandil Kasradze, met with female-led startups financed within the framework of the GENIE project.



StrategEast is proud to have initiated and assisted launching of Viber Rakuten operations in Georgia. StrategEast is excited to foster the overall digital economy development in Georgia and we're convinced that having Viber R&D offices opened in Tbilisi will inevitably attract other global product companies to Georgia.

# SUMMARY 2020-2024

StrategEast's collaboration with the government of Georgia, the IT industry, and international development agencies has already led to

- the creation of an ecosystem with reduced taxes, which is comfortable for global investors;
- the creation of a training system for young personnel that meets the requirements of the global IT industry;
- 120 major international IT companies entering the Georgian market;
- the creation of 15,000 highly paid jobs for young local professionals;
- Increased contributions from the new economy to Georgia's GDP;
- An increase of \$665 million USD in exports.

# NEXT STEPS IN IT INDUSTRY DEVELOPMENT

GITA and StrategEast will continue their work on the development of the IT industry in Georgia:

- we will expand the IT HUB educational center, primarily by enrolling young people from the regions most affected by the economic crisis caused by the pandemic;
- we will continue to attract global IT companies to the [...] Georgian market, disseminating Georgia's image as a new IT destination, train local youth for the global industry;
- as part of a joint program with an IT accelerator from Silicon Valley, we will enable local startups' access to the global markets and investments;
- together with representatives of the global IT industry, we will keep developing Georgia's digital transformation and strengthening its digital resilience;
- The Microsoft for Startups Founders Hub Program was launched by StrategEast and Microsoft, to extend support to software entrepreneurs and startups by providing free licenses to selected Microsoft products. Benefits include exclusive access to AI technologies, OpenAI GPT-4, Azure credits, GitHub, Microsoft 365, LinkedIn Premium, and technical advisory.

# SUCCESS STORY OF GEORGIA 2020-2024

TAX reduced for international IT companies

**20%** → **5%**

Job creation program in collaboration with Big Tech

Strategeast  
**IT HUB**  
TBILISI

Development of IT legislation

Ministry of Justice of Georgia

Georgian IT promotion in the US and EU



+ 15,000 new IT jobs



in all regions throughout Georgia

ICT Association launched

**ict** Georgia Association

120+ new international IT companies started operations



+ \$665 million IT exports growth



Three-year income tax exemption to Georgian startups

**0%**



Big tech hackathon in cooperation with the UNDP

Student exchange



**\$50 million** first Silicon Valley VC to be launched in Georgia

Attracting Rakuten Viber to Georgia



Silicon Valley acceleration program. First \$50 million exit

**us•mac**  
US MARKET ACCESS CENTER

+200 IT specialists in Zugdidi, Gori, Kutaisi, Poti, Batumi

European Bank for Reconstruction and Development **IT HUB** GEORGIA

Theneo wins PITCH contest at Web Summit 2022

web summit



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