



The advertisements trumpet the Republic of Georgia as "the world's No. 1 in fighting corruption". ST PHOTO: TED CHEN

Georgia aims to be on investors' minds

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■ BY ROBIN CHAN

SINGAPOREANS have been hit by a slew of ads promoting Georgia as a place to invest. Georgia the country that is, not the American state.

The advertisements, in a bold and striking red font against a white background, trumpet the Republic of Georgia as "the world's No. 1 in fighting corruption". The ads have appeared in The Straits Times, as well as the Asian editions of international magazines like The Economist.

The blitz is part of a bid by Georgia - a nation of 4.4 million squeezed in between Russia and Turkey - to deepen ties with Singapore and become a "Singapore of the Caucasus".

The country has to repay debts incurred to speed recovery after a 2008 war with Russia and continue its transformation as a hub for business in Central-Eastern Europe.

The ad campaign has at least got the attention of businessmen like Mr Chan Chong Beng, founder and chairman of Goodrich Global, a homegrown interior furnishings firm.

"It had never crossed my mind to do business (in Georgia) before," he said.

Hardly surprising, as Georgia's recent history is marked by political upheaval and an expensive war with Russia over the Georgian breakaway regions of South Ossetia and Abkhazia.

Trade figures tell the same story. Two-way trade was just \$3.5 million in January, barely a sliver of the \$82 billion in goods traded between Singapore and the world that month. Figures for trade between the two countries became available only this year.

Singapore signed a double taxation pact with Georgia last June, but trade promotion agency IE Singapore said there have been no inquiries at all from Singapore firms about Georgia.

Mr Victor Tay, acting chief executive of the Singapore Business Federation, said: "It's not that Singapore companies are not keen to explore opportunities in Georgia, (but that) there has been an absence of contact."

Mr Zbigniew Dumienksi, research analyst at the Centre for Non-Trad-

tional Security Studies at the Rajaratnam School of International Studies, said Georgia has clamped down on corruption, and flung open its doors to investments.

It rose from 112th place in 2005 to 11th last year in the World Bank's annual Doing Business rankings.

"What Georgia is really trying to do is to demonstrate that, just like Singapore in South-east Asia, it is the safest and most business-friendly place in the entire region," he said.

President Mikheil Saakashvili, who took office after the 2003 Rose Revolution, has made at least three references to Singapore publicly in the past year, even drawing criticism from European neighbours for obsessing over Singapore. In December, Georgia unveiled plans to open a Singapore embassy this year, but the Ministry of Foreign Affairs has no official request yet. Last month, Georgia sent a team

led by Minister of Economy and Sustainable Development Vera Kobaladze, 30, to Singapore.

Mr Alphonsus Chia, chief executive of the Singapore Co-operation Enterprise, who met the team, said they were particularly keen to learn more about Singapore's industrial townships.

Its biggest challenge is in getting people to believe it has changed. "This image might be particularly difficult to change in Europe, which was literally bombarded with dramatic photographs and reports from the last conflict with Russia," Mr Dumienksi said.

"In Asia, people seem rather oblivious to Georgia's existence and perhaps it is believed that creating a new image here could be easier."

The ad campaign is a start, but it has a long way to go. Mr Michael Collins, president of the European Chamber of Commerce, said: "Georgia may have considerable growth potential but in the short-to-medium term Singapore firms making trade and investment decisions, in particular SMEs that may not have a high risk appetite, will find it easier to prioritise their efforts to developing the established EU markets."

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FRESH START

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