The number of international visitors has been growing rapidly, with arrivals expected to grow by 8-10% during the next five years.

Georgia has predominantly proved to be a highly desirable location for the hospitality and real estate sector. The average duration of stay is 5 nights, with an average spend of USD 650.

Source: Georgian National Tourism Administration
Opportunity: The “Reinvention” of Tskaltubo
Good opportunity to renovate Tskaltubo resort to achieve the right mix of the traditional balneal therapy resort styles with modern, spa resort concepts

Global Balneal and Spa Hospitality Sector
Significant growth in health & wellness tourism worldwide over past several decades.

Benefit from growing international, regional and local tourism in Georgia

Incentives may be applied on the basis of individual negotiations

$50-60 Billion Intl. Inbound
Medical Paradigm
Reactive

$139 Billion Intl. Inbound
Wellness Paradigm
Proactive

About 6% ($524.4 mln) of all domestic and international trips.

Wellness - projected to grow by more than 9%/year through 2017, nearly 50% faster than overall global tourism.

About 14% ($438.6 bln) of all domestic and international tourism expenditures.

Wellness - generates 11.7 mln direct jobs, delivering $1.3 trillion of global economic impact (1.8% of global GDP in 2012).
TSKALTUBO CURRENT SETTINGS

- Tskaltubo is located in West Georgia, Imereti region at the foot of the Caucasus Mountains.
- Tskaltubo is located on the route to key destinations in Western Georgia.
- Widely popular destination for health treatments from Soviet times.
- Tskaltubo – famous brand in CIS countries.
Kutaisi – 9 km (2nd largest city)
Poti – 40 km (Biggest Port; FIZ)
Mestia – 130 km (Mountain Resort)
Batumi – 150 km (Resort and Entertainment Centre)
Tbilisi – 220 km (Capital of Georgia)

Close proximity to National Parks and historic sites

New Kutaisi International Airport (served 173,000 passengers in 2013 and doubled its capacity in 2014)
Railway connecting most cities of Georgia, Tskaltubo Station even has a cargo platform (Tskaltubo had a daily direct railway connection to Moscow during USSR times)
New Highway & Renovated City Infrastructure
TSKALTUBO TODAY

* Subtropical climate. Average annual temperature of +14.6°C, with average low of +5.3°C and average high of +25°C
* Considered to be the unique balneal and spa resort in the region. Vast reserve of thermal waters with unique therapeutic qualities.
* Over 2000 hours of sunshine annually.
* More than 150 types of deciduous (leafy) and coniferous (evergreen) trees on the territory of Tskaltubo resort area.
* Existing and operating set of sanatoriums and baths receiving visitors all year round
* 2008-2010 Tskaltubo was visited by 2,000 visitors a year, in 2011 increased to 7,000, in 2012 -15,000 and by 2020 it is expected 32,000 visitors (due to the improved infrastructure and higher demand for spa treatments)

* Source: Georgian National Tourism Administration
TSKALTUBO COMPETITIVE ADVANTAGES

Unique Tskaltubo water quality (No analogies in Europe or Asia)

The right mix of the traditional balneal resort and modern medical, spa and wellness center concepts

Tskaltubo thermal waters are unique exception not causing redness of the skin after Spa procedures

Historical Background It served market of 300 mln. The historical documentations and the potential for story telling about famous people are enormous (Even Joseph Stalin used to have a “Dacha” in Tskaltubo). Together with the historical attractions nearby, (restored by the World Bank and MDF-Municipal Development Fund of Georgia) the destination can offer a wide range of cultural tourism.

In terms of the offered products and services, Tskaltubo has the opportunity to develop in all fields and to become the 2nd largest Medical and Wellness SPA destination in Europe!

Based on: Kohl & Partner Feasibility Study
TSKALTUBO WATER UNIQUE FEATURES

BEST FOR TREATING PATIENTS WITH MORE THAN 10 VARIOUS DISEASES

- locomotor system
- heart
- bronchial asthma
- digestive
- diabetes
- nervous systems
- hypertension
- gynecological
- musculoskeletal systems

TSKALTUBO UNIQUE MINERAL WATERS

- The water chemical composition is very rare and complex, it does not change seasonally (No dependence on the amount of sediment).
- They do not include any strong toxic substances.
- Tskaltubo waters temperature is 32-35°C; almost equal to human body temperature.
- They contain calcium and magnesium ions in a very active condition.
- Perfect for Anti Age & Beauty & Weight loss Treatment

Tskaltubo’s Water is unique for regulating DIABETES (There are only 2 wellness resorts with the same feature in the world).
The main Marketing orientation is Medical and Wellness Tourism. The offered products should be expanded and complemented by additional activities (Children’s playgrounds, Water Park, Tropical Garden, Casinos, etc).
Sanatorium “Medea”
Address: 3 Gurieli Str, Land Area: 50 000 sq. m
Total Building area: 10 200 sq.m
Bed capacity: 326
State owned: 100%

The architecture of the building is very impressive and it is recommended to operate the hotel in the luxury segment.

Sanatorium “Megobroba”
Hotel with a medical Center

The profile of the sanatorium is loco motor, cardiovascular, nervous and gynecologic diseases.
Address: 45, Rustaveli Str,
Land Area: 11 Ha
Existing 3 buildings (Total Building area: 54818 sq). Floors: 3
State ownership: 100%
Overall condition of the building is satisfactory with cultural heritage elements on ceiling, façade, music hall, etc.
Sanatorium “Savane”, Sanatorium “Rkinigzeli Spatial Hotel & Medical Concept

Address: 19, Rustaveli Str
Land Area: 15 000 sq. m
Floors: 5
Total Building Area: 3150 sq.m
State ownership: 100%

Overall condition of the building is satisfactory with cultural heritage element.

Sanatorium “Rkinigzeli” Spatial Hotel & Medical Concept

Address: 51, Rustaveli Str
Room Capacity: 350
Land Area: 33 000 sq. m
Total Building Area: 8 724 sq.m

Overall condition of the building is average with cultural heritage elements on façade, etc.
Sanatorium “Imereti”  
Spatial Hotel & Medical Concept

Address: 4, Sulkhan Saba Str,  
Land Area: 35 000 sq. m  
Bed Capacity 305  
Total Building Area: 2 200 sq.m  
State ownership: 100%

There is one main building, which has a sanatorium connected by a bridge and a gallery, and also one debris and a dwelling block. Overall condition of the building is average with cultural heritage elements.

Sanatorium “Tbilisi”  
Spatial Hotel & Medical Concept

Address: 2, Baratashvili Str  
Land Area: 25 000 sq. m  
Total Building Area: 8 250 sq.m  
Bed Capacity 732  
Floor: 6  
State ownership: 100%

Overall condition of the building is average with cultural heritage elements. The park is very precious. Could be used for a hotel or hotel with medical products.
Sanatorium “Gelati”
Hotel with different additional products

Address: 6, Baratashvili Str.,
Land Area: 20 000 sq.m
Total Building Area: 6965 sq.m
Bed Capacity 202
State ownership: 100%

The building is distinguished by its architectural and artistic valuable details. The territory is well maintained and is distinguished for its small architectural forms. Pine trees, hardwood, palm trees, lawn and subtropical plants represent the greenery.
TSKALTUBO PRIMARY INVESTMENT OPPORTUNITIES

9 Hotels (4* - 5* Hotels + Casino)  
3* - 4* Hotels (+Medical Centers)

Healthcare facilities

Spa and balneal centers (Private & Public balneology spots; Day spa; Fitness; Therapies; Beauty treatment)

Shopping and Retail

Medical Centers (Plastic & General Therapies, Rehabs, Sport treatment)

Casino with NO permit fees!
TSKALTUBO ADDITIONAL INVESTMENT OPPORTUNITIES

- **Amusement Parks**
- **Education/Training Centers**
  (Tourism & Medicine Schools)
- **Tropical Garden**
  (produce fruit for the whole year)
- **Water Transport Systems**
  (will serve Tskaltubo through city canals)
STATE AGENCY

* Promoting Georgia internationally
* Supporting foreign investments and investors before, during & after investment process

“One-stop-shop” for investors

Moderator between Investors, Government and Local Companies

Mission - Attracting Greenfield and M&A Investments
WHAT YOU CAN GET FROM GNIA

INFORMATION- General data, statistics, sector researches

COMMUNICATION- Access to Government at all levels/Local partners

ORGANIZATION- Organization of site visits & Accompanying investors

AFTTERCARE- Legal advising & Supporting services
Nino Magradze, Senior Portfolio Manager

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