
**RIISING INNOVATION &
EMERGING TALENTS**

FROM THE EAST



GEORGIA

ECOSYSTEM OVERVIEW

**WRITTEN AND
PUBLISHED BY**



GEORGIA (GEO) ECOSYSTEM OVERVIEW

KEY ATTRIBUTES OF THE STARTUP ECOSYSTEM

The Georgian startup ecosystem has undergone significant and rapid changes in recent years. Current situation can be described with a lot of attention and interest in startups, startup ecosystem development and many stakeholders are committed to formulate a vibrant community.

The Association Agreement with the EU (came into force in 2016) and a preferential trade regime, Deep and Comprehensive Free Trade Area (DCFTA) have given a big push to these changes. As a consequence EU best practices can be used in the Georgian innovation ecosystem. Georgia's ecosystem is transforming in the right way and is starting to resemble ecosystems in the EU.

The establishment of many specialized government bodies, institutions also served the development.

The most significant and well-known of these organizations is GITA. The agency is formally in charge of innovation policy elaboration and implementation. Georgia's Innovation and Technology Agency's mission is a formation of an ecosystem which improves all kinds of innovations and technologies in Georgia, to promote a commercialization of knowledge and innovations, to stimulate using them in all fields of economy, to create an environment for the growth of innovations and high-tech products and developing high-speed internet nationwide <<https://gita.gov.ge/eng/static/3>>. The whole structure of the public institutions and other stakeholders fostering innovation can be seen in the following figure (Figure 1.).

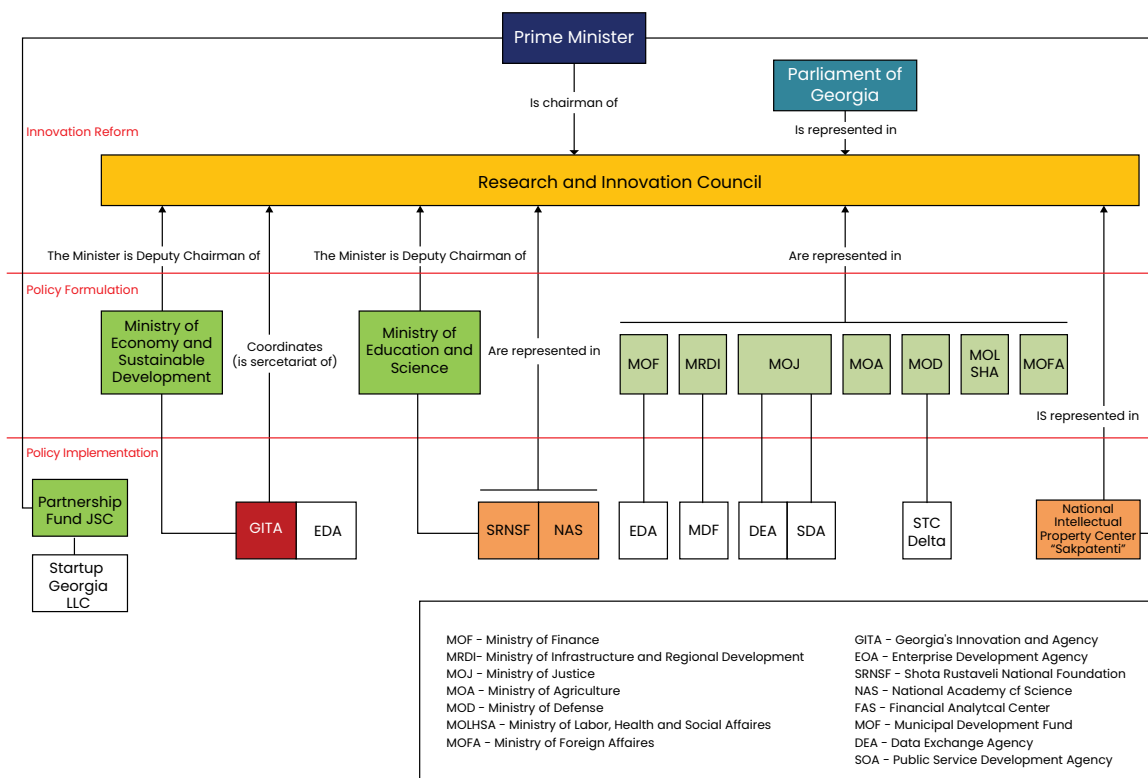


FIGURE 1. The map of the Georgian public policy stakeholders affecting innovation. Source: European Commission–Kantor Management Consultants (2018)

Despite of functioning governmental bodies, it still lacks private sector actors involved in the startup ecosystem.

Even though Georgia's development processes are transforming in the right way, there are a number of challenges that have to be overcome in order to build up a world-class startup ecosystem.

The most important challenges are listed below:

- small size of the market,
- tools with key importance for commerce (such as PayPal) are not available,
- e-commerce/fulfillment is still in infancy, existing tools are not well known,
- low quality of higher education and scientific research institutions.

- weak links between researchers and businesses,
- lack of qualified labour force, especially coders and IT experts,
- lack of specialized funding for early-phase startups, there are no existing and active angel networks (however, their establishment and development is in progress),
- in the absence of a developed startup ecosystem, there are not many knowledge sharing possibilities, collaborations and startup events, and no immediate access to peers or professional services like graphic design, tax, accounting, legal advice, or targeted e-solutions.

In order to develop local startups, the following remarkable incubators and accelerators operate in Georgia:

FabLab GTU is located at the Georgian Technical University. FAB LAB – The primary goal is to create a union of inventors, innovators, enterprises, enthusiasts and other interested stakeholders which finally reflects on economic growth. priorities of the FabLab GTU are: creation and further development of startups; creation jobs by means of startups; invention/creation of innovative products. The project of the FabLab GTU was financed by Tbilisi City Hall, “Municipal Services Development Agency”.

<<https://www.fablabs.io/labs/gtu>>

GITA Business Incubator. GITA has an in-house Business Incubator program. The agency offers a set of products and services to interested parties and potential beneficiaries, which is focused on helping the innovations and technology oriented entrepreneurs and startups.

Now it encompasses small grants programs, Startup Friendly, Startup Beats, Boot Camp, common working space, Incubator, Registry of Ideas, training portal and the IT support system is a combination of products and services that are key tools for developing a vibrant startup ecosystem.

Impact Hub Tbilisi

Impact Hub Tbilisi is a co-working space where participants can meet, collaborate, produce, learn, network, create. This is the place where change goes to work. Impact Hub Tbilisi is the place for individuals and organisations to create a better world. Connected to 100+ Impact Hubs and 20000+ members all around the world, Impact Hub Tbilisi offers a unique ecosystem of resources, inspiration and collaboration opportunities.

<<https://tbilisi.impacthub.net/>>

Revenue Capital

Revenue Capital is an alternative investment company developing high-tech solutions that improve trading capabilities in traditional financial markets and the crypto industry. It funds and supports fintech, blockchain, AI, ML, and Web 3 companies.

[<https://revenuecapital.io/en/>](https://revenuecapital.io/en/)

Spark – Business Accelerator

Spark is a joint project of Tbilisi City Hall and the European Union, which offers special business development programs to existing small and medium-sized businesses and startups. Spark is a hub for people who have business ideas but do not have access to the resources to turn a business idea into a business plan and are not ready to implement it.

[<https://accelerate.ge/?lang=en>](https://accelerate.ge/?lang=en)

In Georgia the innovation related strategies are mainly focusing on wider social and economic issues, especially in connection with digital transformation:

- Social-Economic Development Strategy of Georgia “GEORGIA 2020”,
- Digital Georgia.

In the light of the many challenges some promising and prosperous startups can be mentioned operating in Georgia or already achieved global success:

REMARKABLE STARTUPS:

CNICK „smart rings” develops wearable technologies for enabling the most seamless and reliable authentication. The startup was created by students of the Free University of Tbilisi in 2016. The data in the ring is entered and updated through the application on Android. The project received funding from the “Startup Georgia” program. The smart rings can be used for paying and as a TESLA key: CNICK Rings are compatible with all the Tesla Model 3/Y and 2021 Model S/X.

[<https://teslaring.com/pages/about>](https://teslaring.com/pages/about)

[<https://teslaring.com/pages/tesla-owners-clubs>](https://teslaring.com/pages/tesla-owners-clubs)

Deskomy created a cloud platform for you to back up, save and secure your files with a simple drag & drop. You can access it from anywhere, anytime on any device.

<<https://deskomy.com/en-us/about>>

InvoiceOcean is a simple application that allows you to issue a variety of invoices and related documents online. It operates in the SaaS environment, meaning that all data is stored on the Cloud and is accessible at all times via computer, tablet or smartphone. The software is protected by the SSL encryption code, which is the highest possible security standard, which is also used in online banking.

<<https://www.linkedin.com/company/invoiceocean/about/>>
<<https://invoiceocean.ge/>>

LiveCaller provides a cloud based customer communication software designed for companies. Free web call with online chat, omni channel and co-browsing.

<<https://livecaller.io/about>>

Spot The Fire is a service for detecting fires in woods at early stages. With the help of an application, any person with a smartphone and Internet can warn about the oncoming natural disaster.

<<http://spotthefire.surge.sh/>>

Swoop is an e-commerce startup. Established in 2010, Swoop is a top-two local player in the deals & discounts sector in Georgia. It usually features 1000 deals per day on average. Swoop is fully integrated with eMoneyConnect, allowing all eMoney users to use their eMoney credentials to login and their digital wallets to pay.

<<https://www.linkedin.com/company/swoop-ge/about/>>

WORLD BUS (est. 2019) offers a vast range of IT services for businesses and technophiles in particular. From cPanel shared hosting to virtual datacenters, virtual private server (VPS), dedicated server, domain registration and storage solutions, all our services benefit from continuous innovation and are regularly enriched with new features.

<<https://worldbus.ge/>>

SOURCES OF THIS SUBSECTOR:

Choladze, D. (2020): Startup Ecosystem Summary – Country Guide Georgia. Startup Universal.

<https://startupuniversal.com/country/georgia/>

Gasanova, M. (2020): Georgian Startups Rankings with the Volume of Attracted Investments. Forbes Georgia.

<https://forbes.ge/georgian-startups-rankings-with-the-volume-of-attracted-investments/>

GITA (2021): Startup Ecosystem. Georgia's Innovation and Technology Agency.

<https://gita.gov.ge/eng>

Gutbrod, H; Dornbusch, N.; Steden, P. (2019): Startup sector in Tbilisi – A bottom-up perspective on challenges and solutions. GET, German Economic Team Georgia/Berlin Economics, Policy Briefings Series, PB/03/2019.

https://www.german-economic-team.com/georgien/wp-content/uploads/sites/3/PB_03_2019_en.pdf

Startup Ranking (2021b): Top Startups – Tbilisi, Georgia.

<https://www.startupranking.com/top/tbilisi>

Yushkevich, N. (2019): The startup ecosystem of Georgia. Startup Jedi.

<https://startupjedi.vc/content/startup-ecosystem-georgia>