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Georgia's Education Sector

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Eva Bochorishvili
Head of Research

Tatia Mamrikishvili
Head of Tourism & Services Research

Ketevan Magradze
Senior Analyst



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KEY FINDINGS

Georgia's education sector

Georgia's education sector has emerged as one of the fastest-growing segments of the economy, with revenues doubling to GEL 4.3bn in 2019-25 and its share to GDP increasing to 6.4% in 2025 from 4.5% in 2019. The sector spans four main segments: general education (GEL 2.1bn), higher education (GEL 1.3bn), pre-school education (GEL 0.7bn), and other education services (GEL 0.2bn). Growth has been broad-based, driven by state-funded expansion in general education and private-sector-led growth in higher education, primarily supported by rising foreign student inflows.

General education sector

General education revenue reached GEL 2.1bn in 2025, growing at a 14.4% CAGR over 2019-25. Public schools still account for the majority of sector revenues (74.9% in 2025). However, private school revenues more than doubled to GEL 526mn over 2019-25, supported by rising enrollment, higher tuition fees, and a shift toward premium schools. With a declining pupil population, future growth will increasingly depend on market share gains from public-to-private migration, immigration-driven demand, and industry consolidation. On the supply side, Georgia's teaching workforce is ageing, while the profession remains relatively unattractive due to low wage levels. Although recent government-led salary increases have improved teacher compensation, they have also increased cost pressure across the sector, weighing on profitability. Smaller and weaker schools are less able to absorb rising personnel costs, accelerating consolidation in the fragmented private school market.

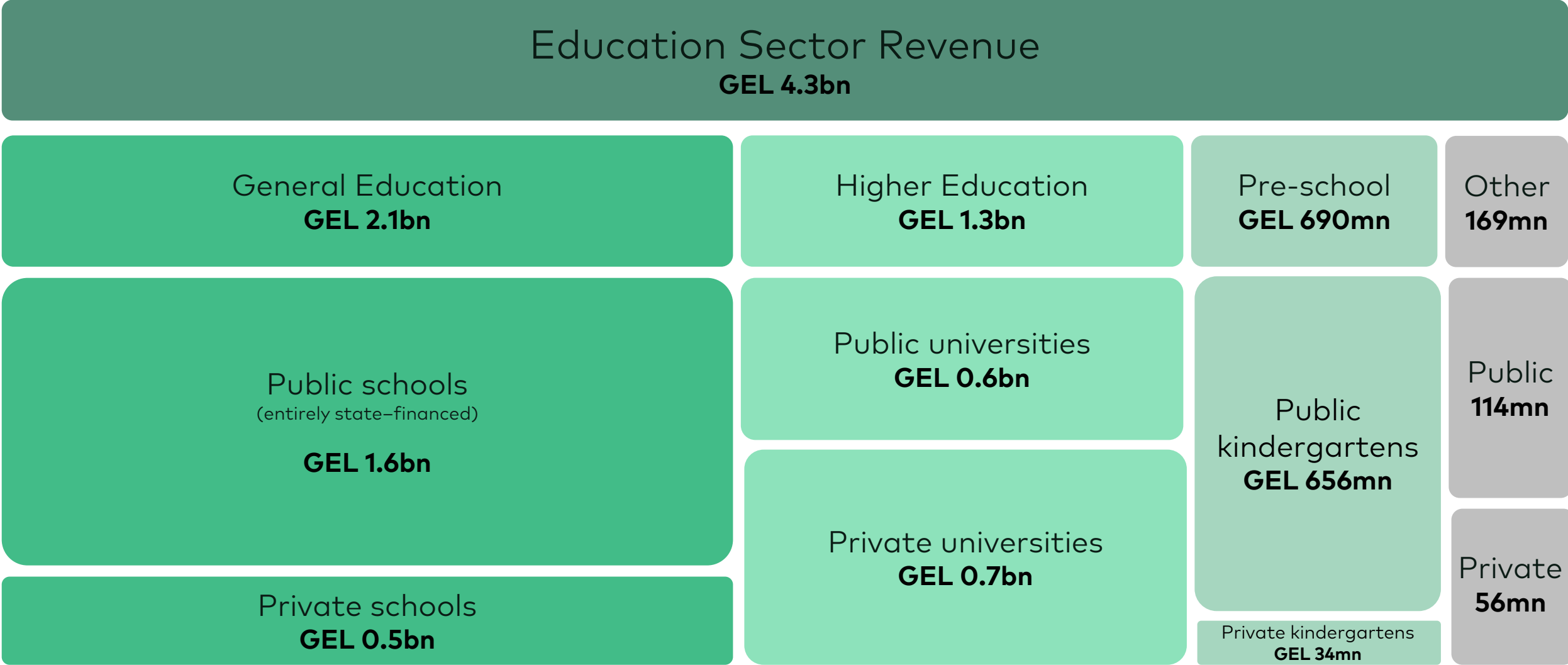
Higher education sector

Higher education revenue reached GEL 1.3bn in 2025, increasing at an 11.5% CAGR over 2019-25. Private universities captured most of this growth, benefiting from strong international demand. The number of foreign students tripled over 2019-25 to 44,000, lifting Georgia's inbound mobility rate to 19.8% in 2025 from 9.0% in 2019. Georgia has positioned itself as a competitive destination for international students, supported by affordability and accessibility. However, the sector has become increasingly concentrated, with Indian students accounting for 53.8% of foreign enrollment, largely in health and welfare programs. This concentration creates exposure to changes in a single source market and academic field, making diversification across both student origins and disciplines an important strategic priority.

While international demand supports sector growth, domestic higher education outcomes remain a challenge. Georgia continues to produce a high share of graduates in business, law, and social sciences, while facing shortages in technical & vocational fields. This contributes to weak labor market alignment, reflected in 11% unemployment among highly educated individuals in Georgia (vs 4.8% OECD average). The government's 2026 higher education reform aims to address structural imbalances through greater specialization, shorter degree structures, and restrictions on foreign enrollment in public universities. While these measures could improve resource allocation and labor market alignment, their ultimate impact will depend on execution quality.



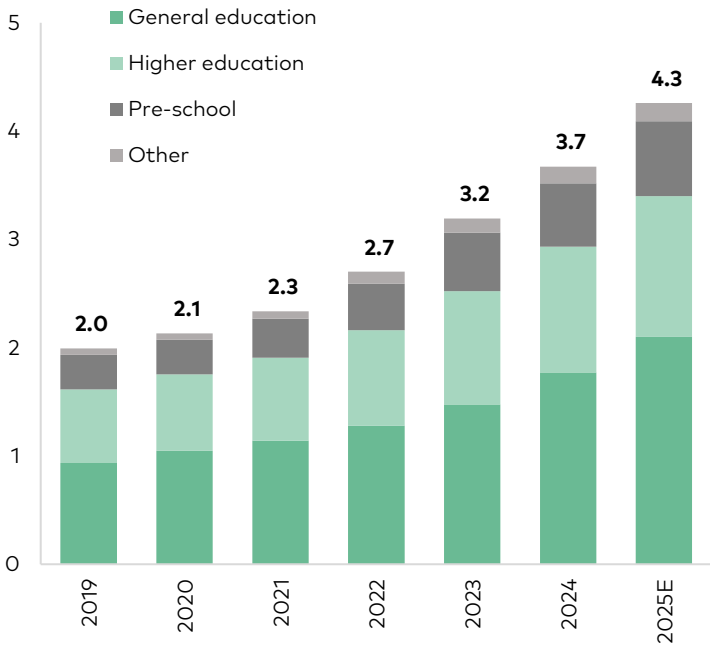
GEORGIA'S EDUCATION MARKET STRUCTURE IN 2025





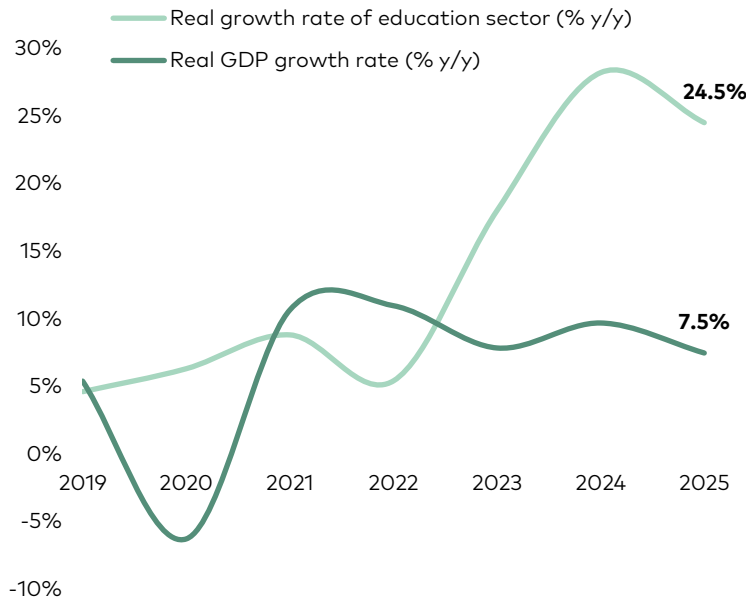
Education sector revenues doubled over 2019-25 to GEL 4.3bn in 2025, led by general and higher education

Education sector revenue by sub-sector, GEL bn



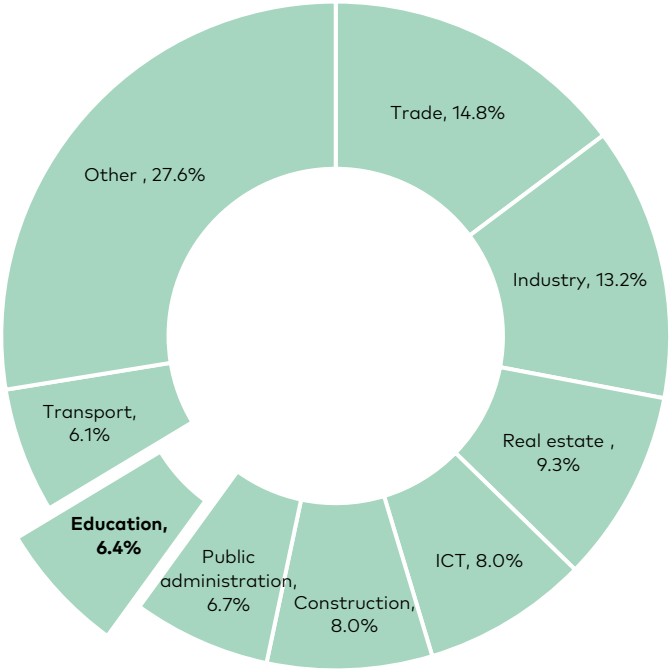
Education sector revenue growth was broad-based, led by general and higher education sub-sector growth over 2019-25.

Georgia's real GDP growth and education sector real growth



Strong sector growth has kept education ahead of GDP since 2022, placing it among the fastest-growing sectors.

Economy by sectors, 2025E

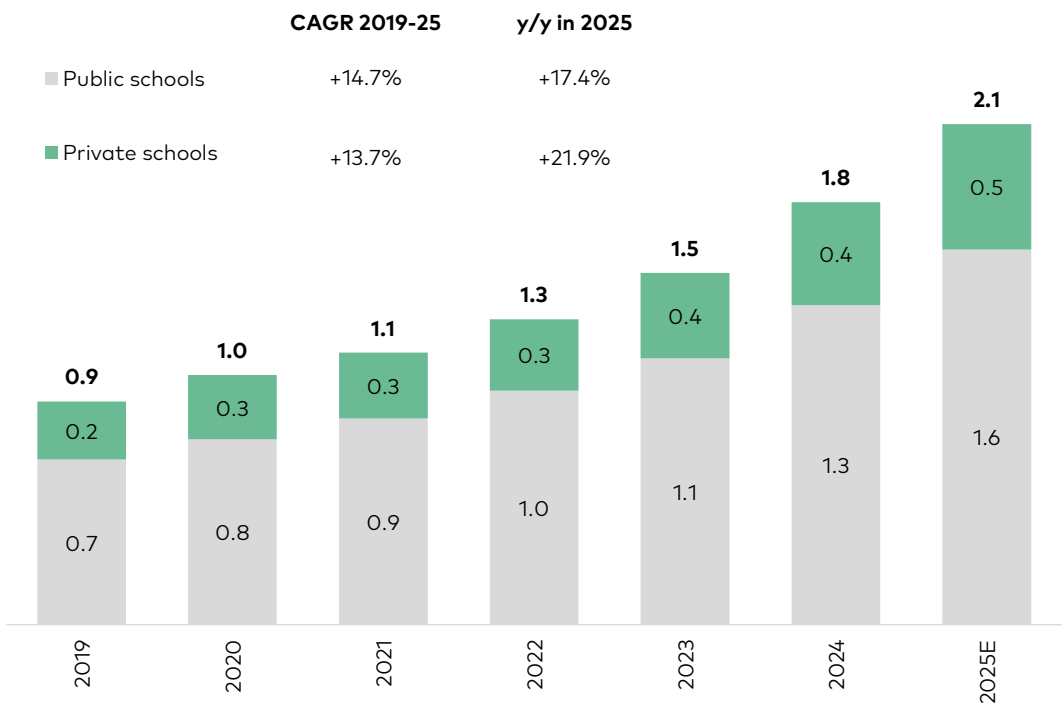


As a result, education's share in nominal GDP increased to 6.4% in 2025 from 4.5% in 2019, making it the seventh-largest sector in the economy.



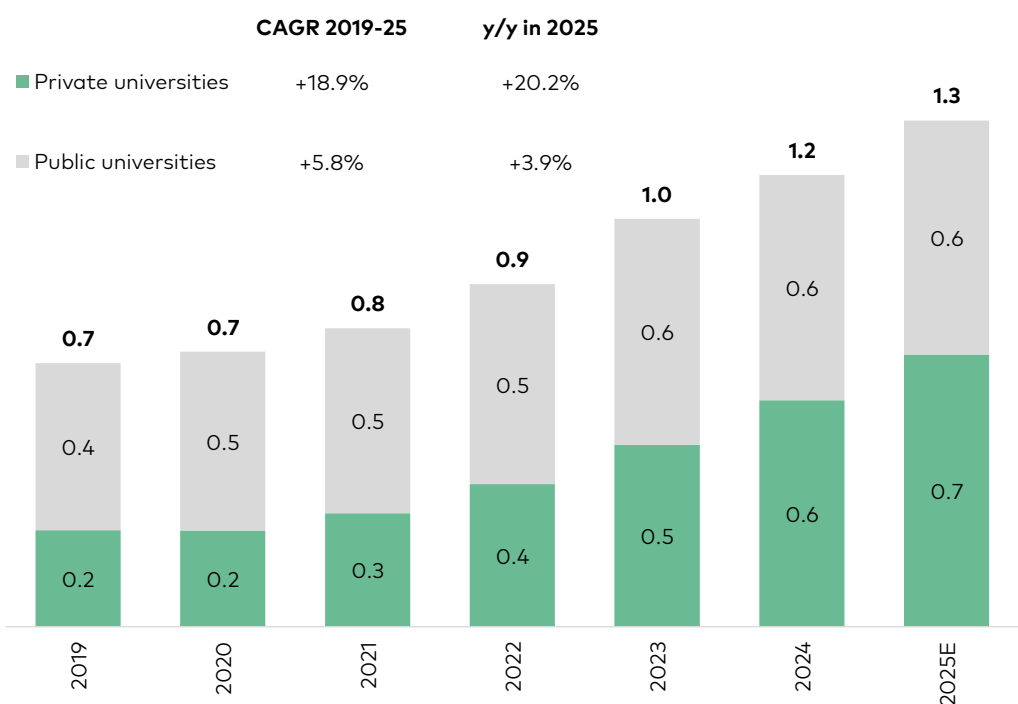
General education growth was largely state-funded, while higher education growth was driven by private spending, particularly from foreign students

General education: revenues of private and public schools, GEL bn



Public schools (74.9% of revenues, fully state-funded) drove most of the sector's growth over 2019-25, however private schools also gained momentum, supported by increased demand for private education.

Higher education: Revenue of private and public universities, GEL bn



Higher education growth was mostly driven by private universities, mainly on the base of foreign student growth.



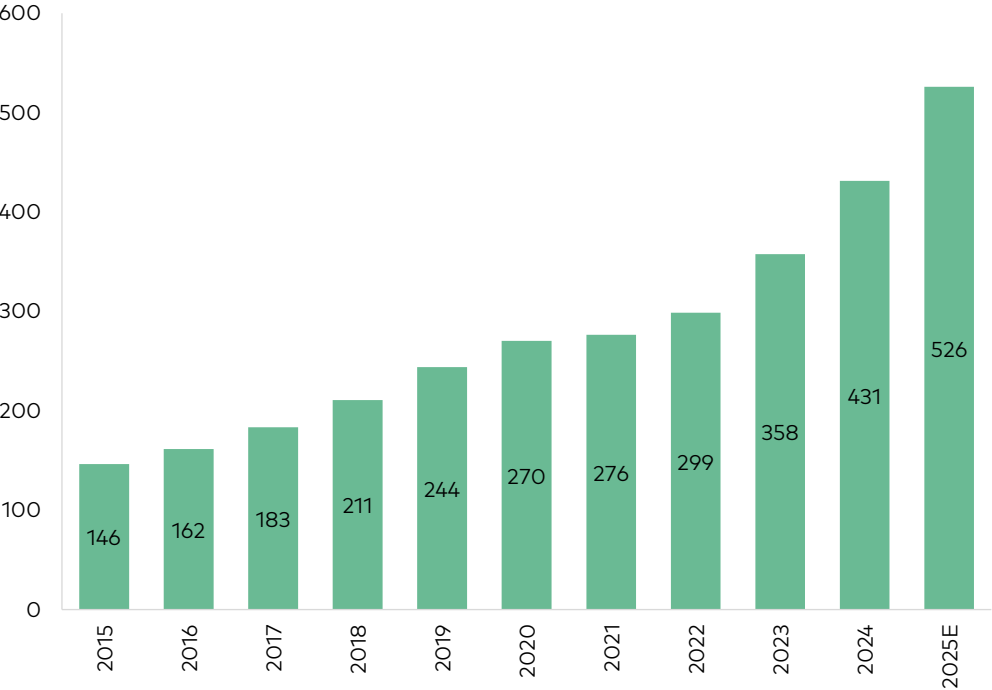
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General Education



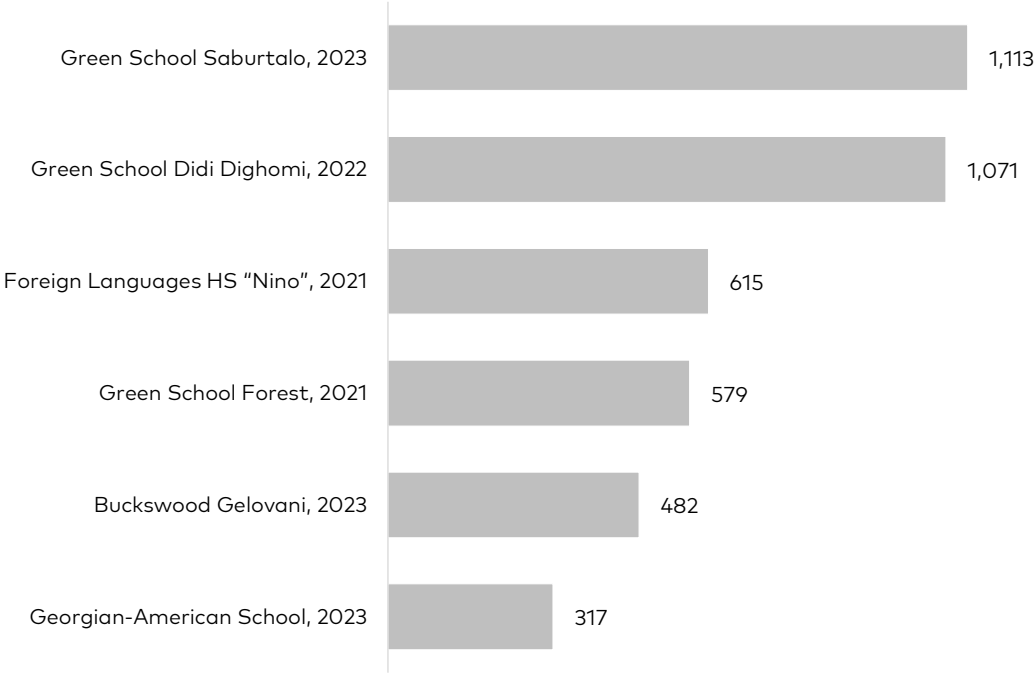
Private school revenue kept pace with public - growing at 13.7% CAGR over 2019-2025

Private school revenues, GEL mn



Private sector revenue more than doubled from GEL 244mn to GEL 526mn over 2019-25. Growth accelerated sharply after 2021, driven by new private school openings and rising tuition fees.

Major private schools opened over 2021-25, pupils as of 2025

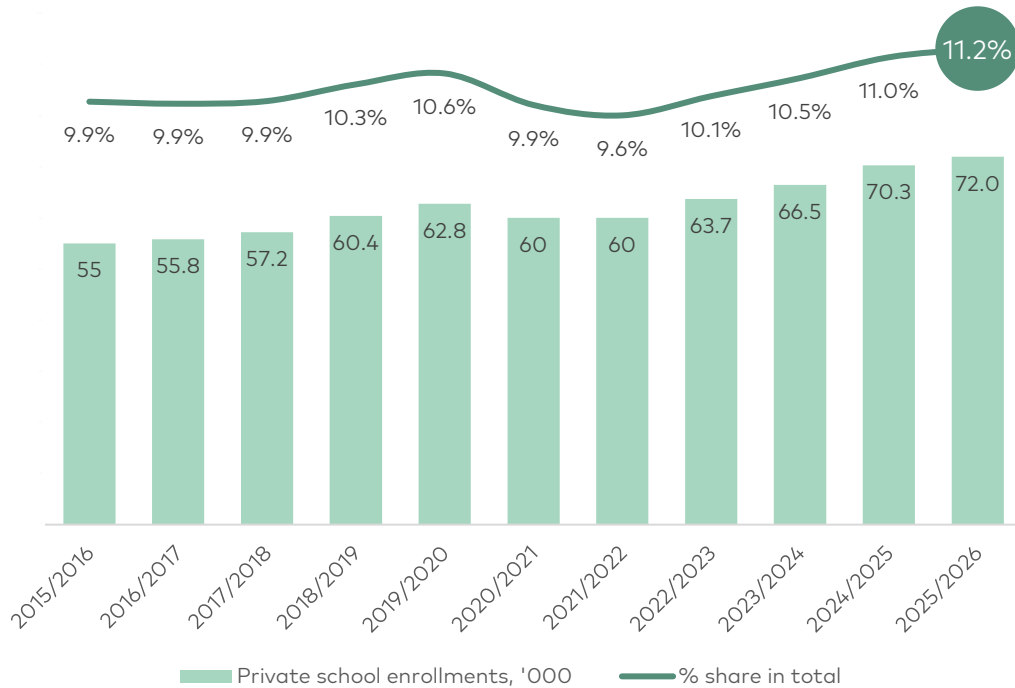


New entrants have scaled fast - the largest schools opened since 2021 already serve hundreds of pupils each, reflecting strong demand for new private school capacity in Tbilisi, especially in the suburbs.



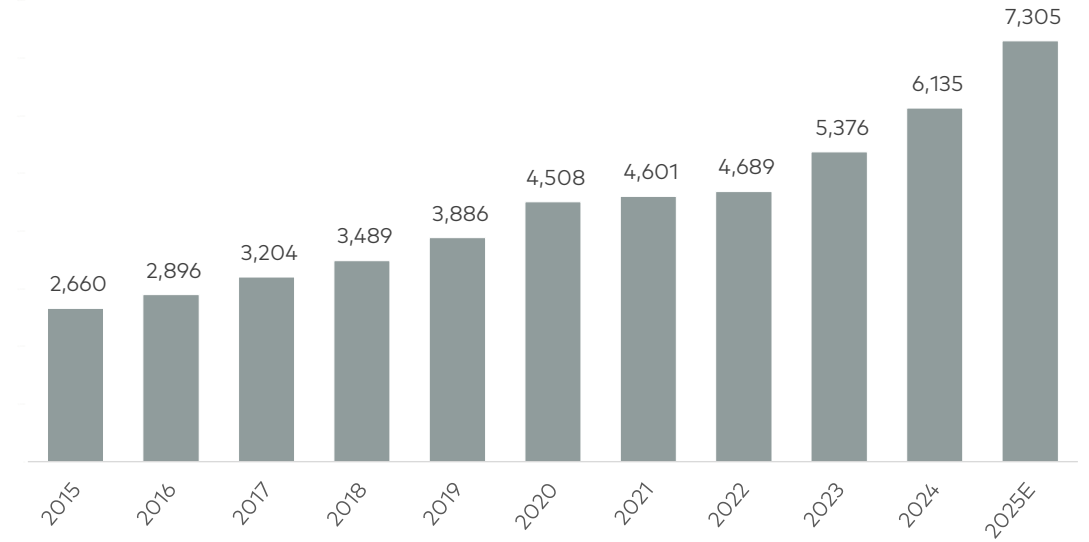
Growth in private school revenue was fueled by enrollment growth, rising tuition fees and an increasing share of higher-priced schools

Private school enrollment in Georgia



In the 2025/26 academic year, private school enrollment reached 72.0k pupils, growing at a 4.2% CAGR over 2022-25. Excluding pandemic-related disruptions in 2020-21, when many students shifted from private to public schools, enrollment grew at a 3.4% CAGR over 2015-19.

Average revenue per student in private schools, GEL

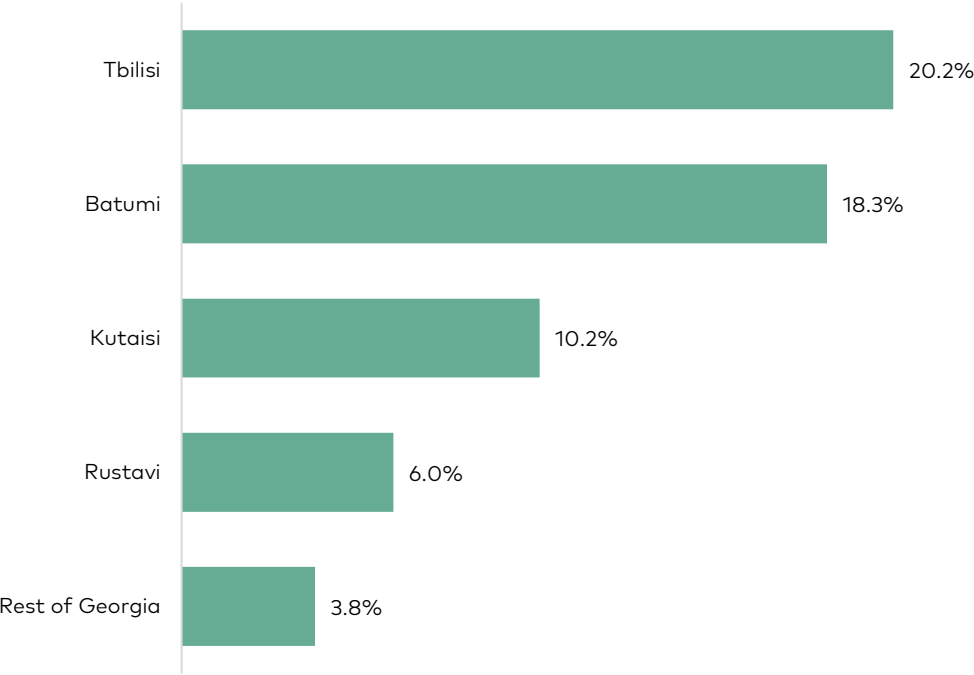


Revenue growth was further supported by rising tuition fees in existing schools, alongside a shift in the market mix toward higher-priced schools that have opened in recent years.



Enrollment growth was driven by urbanization, rising incomes in major cities and migrant inflows

Enrollment in private schools as % of total, 2025/26



The concentration of private schools in large cities such as Tbilisi, Batumi, and Kutaisi reflects urbanization, rising incomes, and migrant inflows into urban areas.

Private schools in large cities, 2025/26

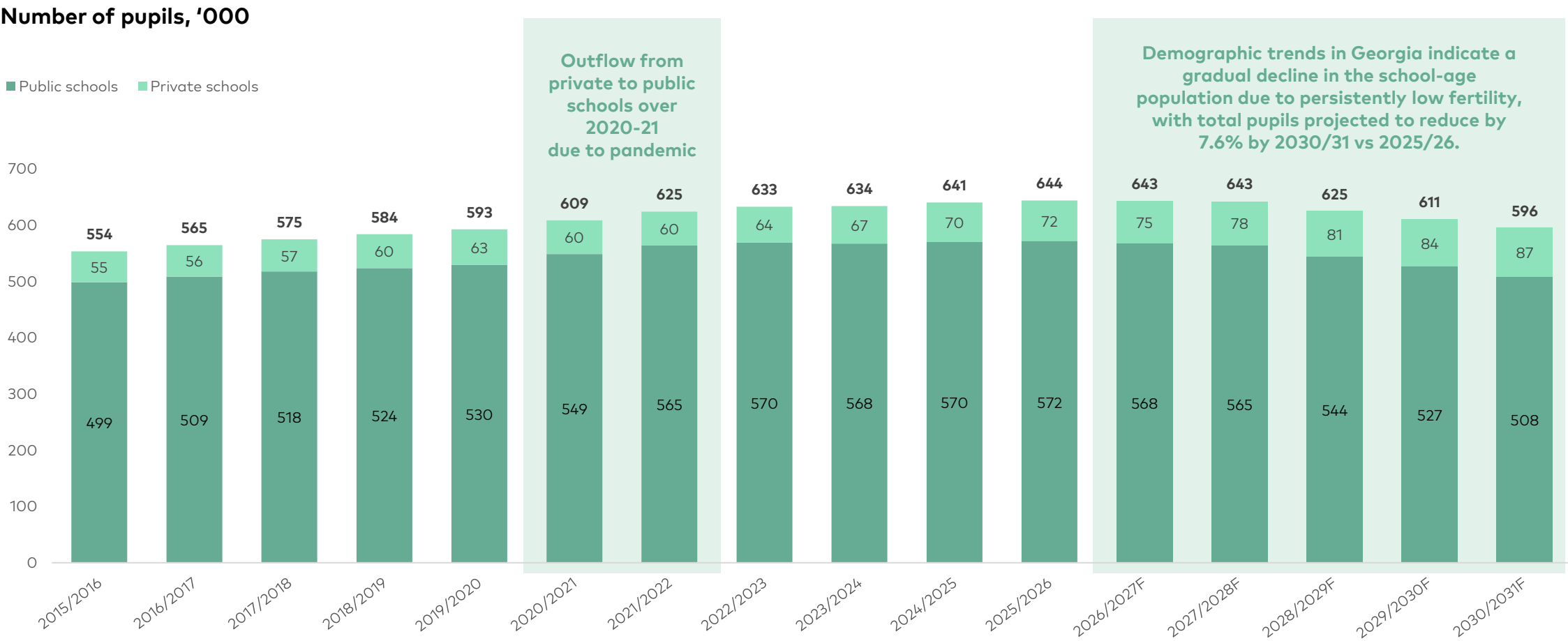
City	Number of institutions	Enrollment	Enrollment per institution
Tbilisi	108	46,866	434
of which:			
Vake-Saburtalo	49	23,505	480
Gldani-Nadzaladevi	21	8,825	420
Didube-Chugureti	9	4,766	530
Isani-Samgori	16	5,477	342
Mtatsminda-Krtsanisi	13	4,293	330
Batumi	18	8,350	464
Kutaisi	9	3,402	378
Rustavi	7	1,456	208
Rest of Georgia	63	11,926	185
Total	205	71,756	350

Within Tbilisi, while Vake-Saburtalo remains the core hub, expansion into outer districts, particularly Gldani-Nadzaladevi and Isani-Samgori, highlights increasing demand outside central areas, alongside limited land availability for schools in the city center.

Source: Geostat, MES, Galt & Taggart



Enrollment growth engine is running out of fuel - the total pupil pool is shrinking



Source: Geostat, MES, Galt & Taggart



With a declining pupil base, growth must come from market share gains and/or new demand sources



State → private migration

Most likely

The main growth path - migration from public to private schools will continue, driven by income growth + persistent quality gap. Private school penetration is expected to increase from 11% toward EU benchmarks (16-25%) over the medium-term.



Foreign families entering Georgia

Real but fragile

Post-2022 migration wave increased demand from foreign families seeking international curriculum schools. A real but volatile source of incremental demand, sensitive to geopolitical factors.



Consolidation through M&A

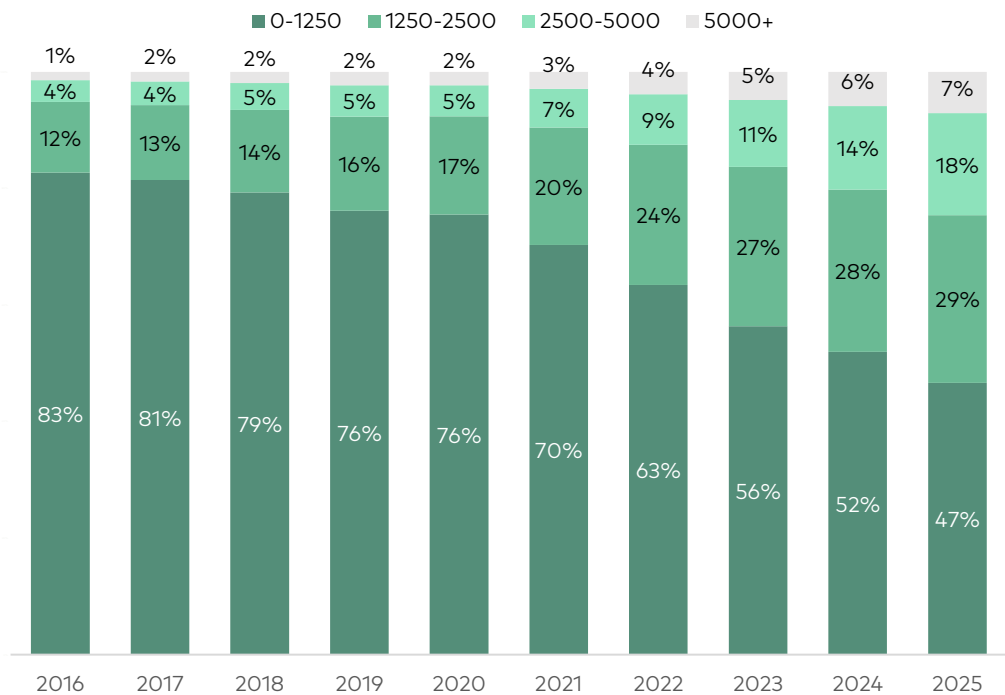
Structural, slower

Weaker schools exit under cost & quality pressure, as evidenced in recent years, with 41 private schools closing over the last decade. While it does not expand the total market, it supports scale, efficiency, and investability.



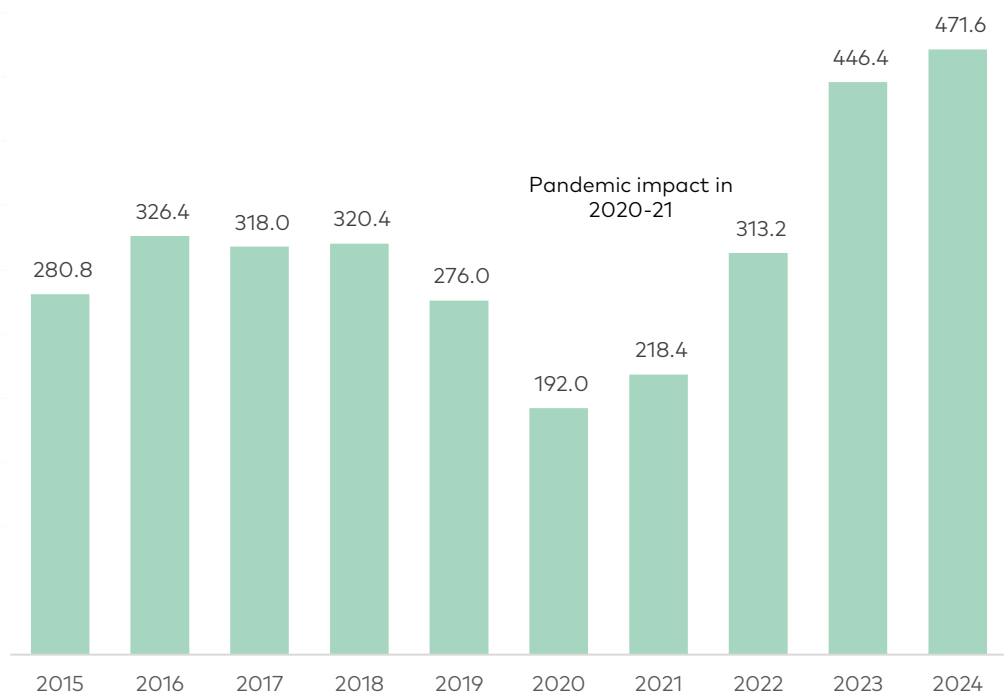
The growing middle class will fuel higher private school market share

Number of individuals by salary ranges in Georgia, % of total, GEL



The share of middle-income individuals (salary GEL 2,500+), rose from 7% in 2019 to 25% in 2025, indicating a growing ability to afford private education.

Annual consumer cash expenditure on education, GEL mn

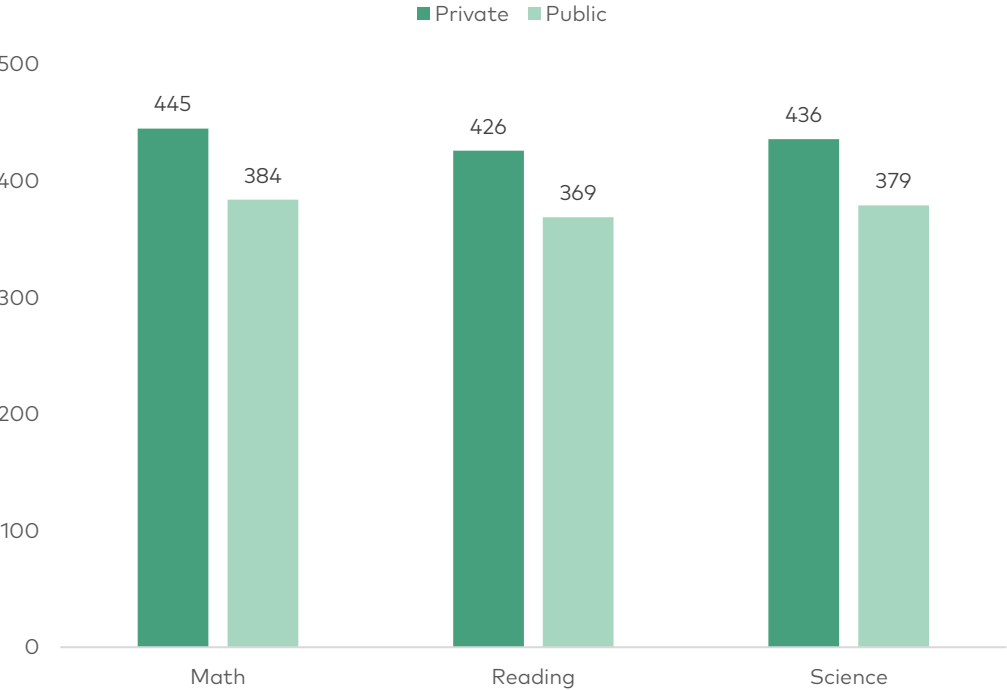


Growing affordability and willingness to spend on education are reflected in rising expenditures, with annual consumer cash spending on education increasing by 70.9% in 2024 vs 2019.



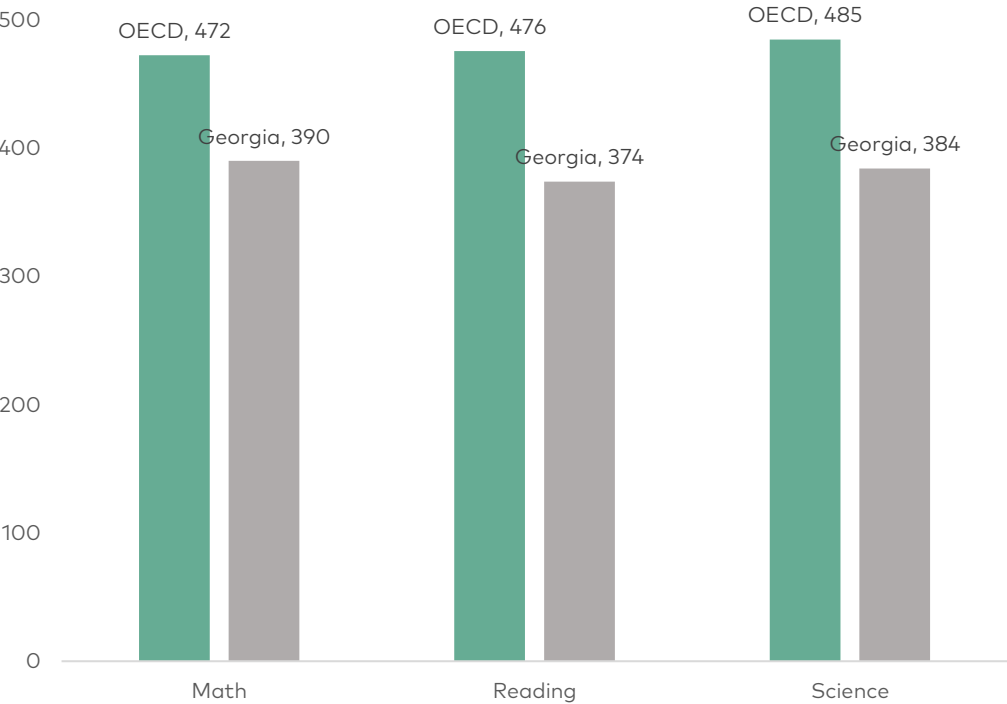
Quality will keep pulling families toward private schools, which outscore public in PISA scores

Pupils achievement scores in PISA by school type in Georgia, 2022



Private schools in Georgia tend to deliver stronger academic outcomes than public schools, which likely contributes to the growing number of pupils enrolling in the private sector.

Pupils achievement scores in PISA by location, 2022



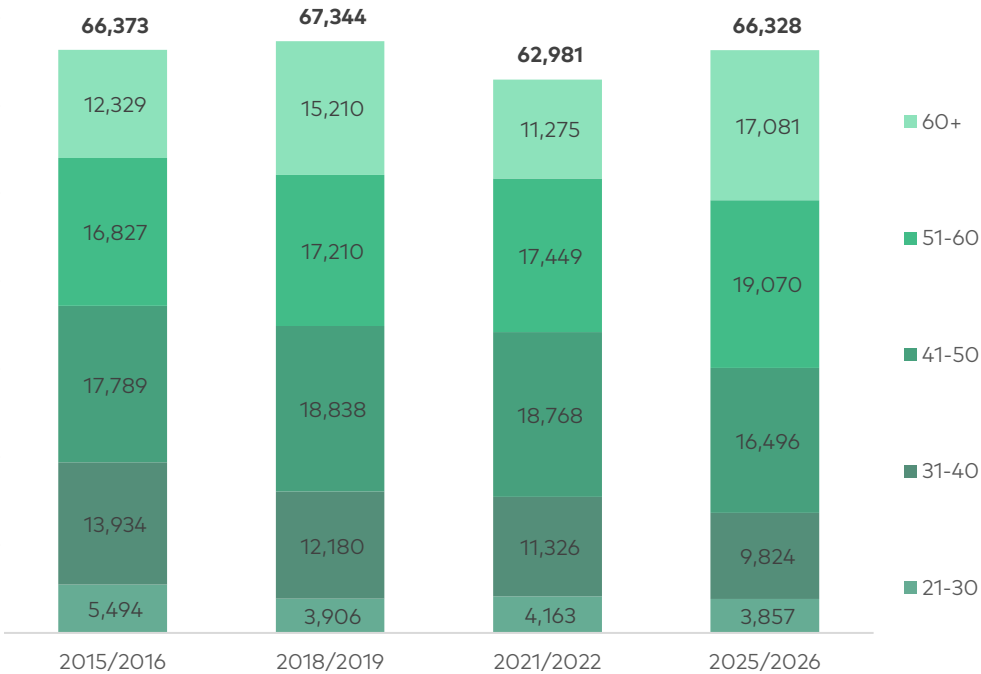
Despite improvements in recent years, Georgia's PISA scores remain well below OECD averages across all subjects, highlighting a persistent gap in education outcomes and indicating potential for further private sector expansion.

Source: Geostat, NAEC, OECD, Galt & Taggart



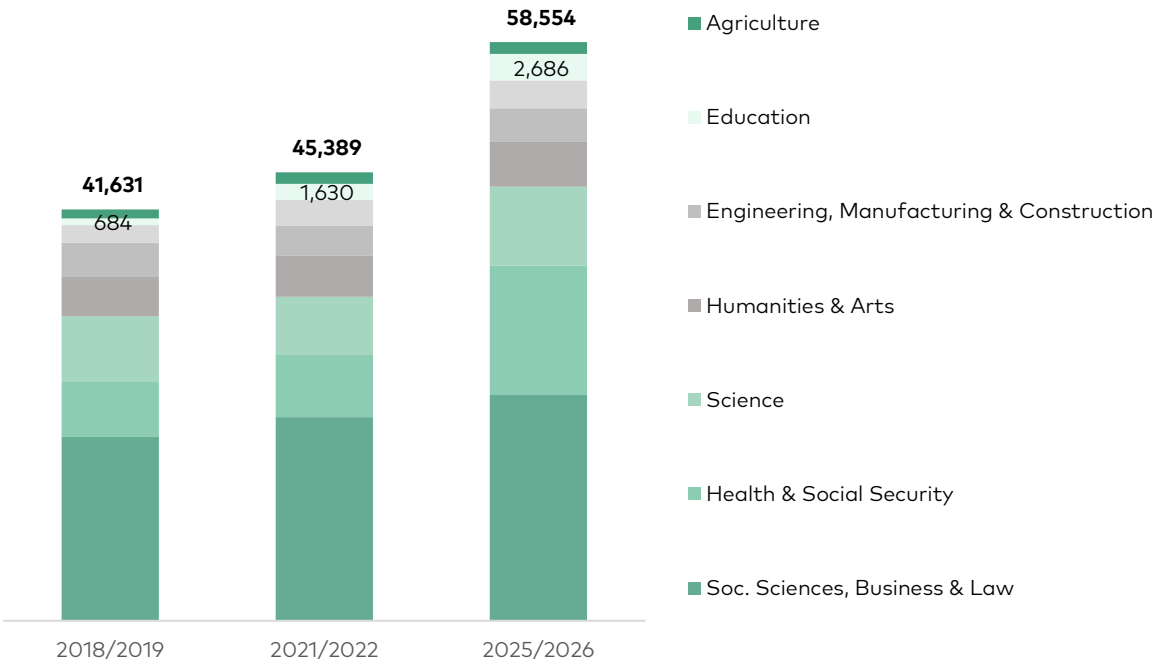
Quality depends on teacher base and that base is aging with little replacement coming

Distribution of teachers by age groups



Georgia's teacher workforce is aging, with 50+ teachers representing 55% of total in 2025. Besides, the share of teachers under 50 across public & private schools fell to 45% in 2025 from 56% in 2015.

Number of entrants by program

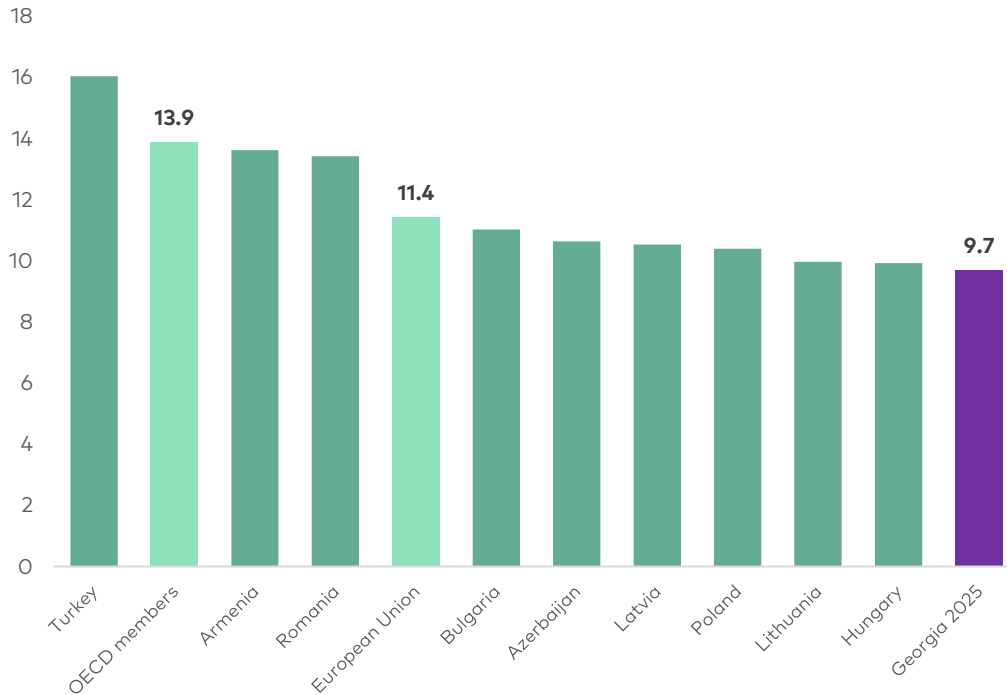


Despite rising total entrants, education/teaching programs remain one of the least popular fields, with its share rising to 4.6% of total entrants in 2025 from 1.8% in 2018, ahead of only agriculture.

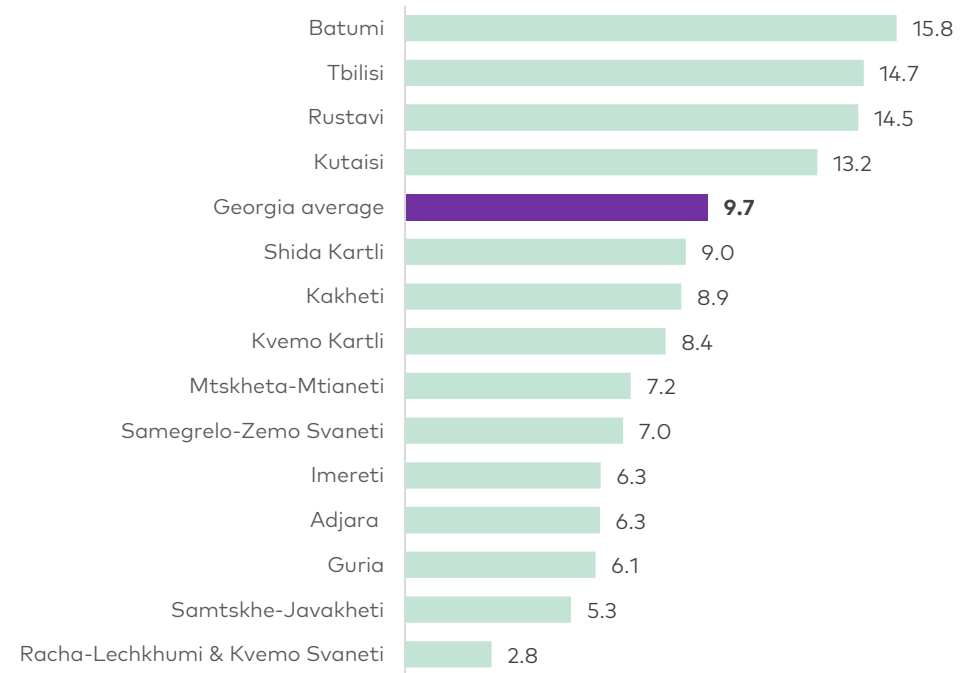


The root cause: teacher oversupply keeps salaries low, making the profession unattractive to youth

Pupils per teacher, latest available data



Pupils per teacher in Georgia by region, 2025



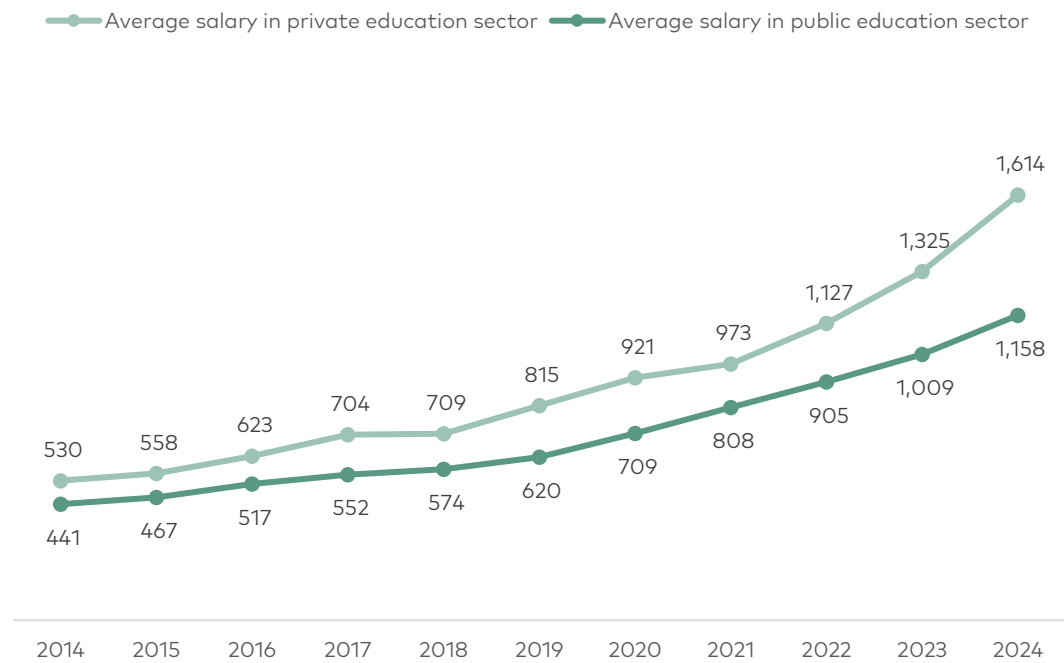
On a national level, Georgia faces an oversupply of teachers, with a pupil-to-teacher ratio of 9.7, lower than the OECD average of 13.9. This oversupply of teachers coupled with the older teaching workforce, make teaching a low-paid job in Georgia and unattractive as a career choice for youth.

By contrast, major cities such as Tbilisi (14.7), Rustavi (14.5), Batumi (15.8), and Kutaisi (13.2) have relatively balanced pupil-to-teacher ratios, while teacher oversupply is concentrated mainly in the regions as of 2025.



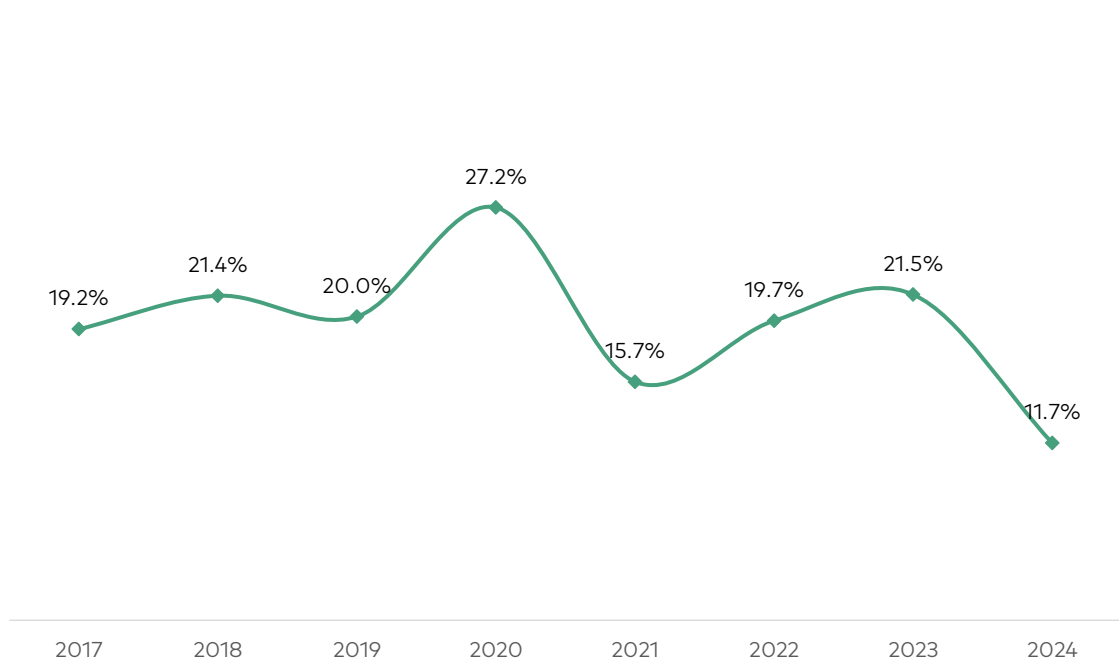
The government raised teacher salaries to fix this - but it squeezed private margins

Average monthly nominal salary in public & private education sector, GEL



Historically, salaries in public and private education have moved in tandem, with public sector increases often spilling over into the private sector. This trend persisted in 2024, when Jul-1 salary increases for public sector teachers were likewise reflected in private sector salary growth.

Operating profit margin for private general education sector



However, rising salary costs affected profitability in the general education sector, as labor costs as a percentage of revenue increased to 68.0% in 2024 from an average of 61% over 2017-23.

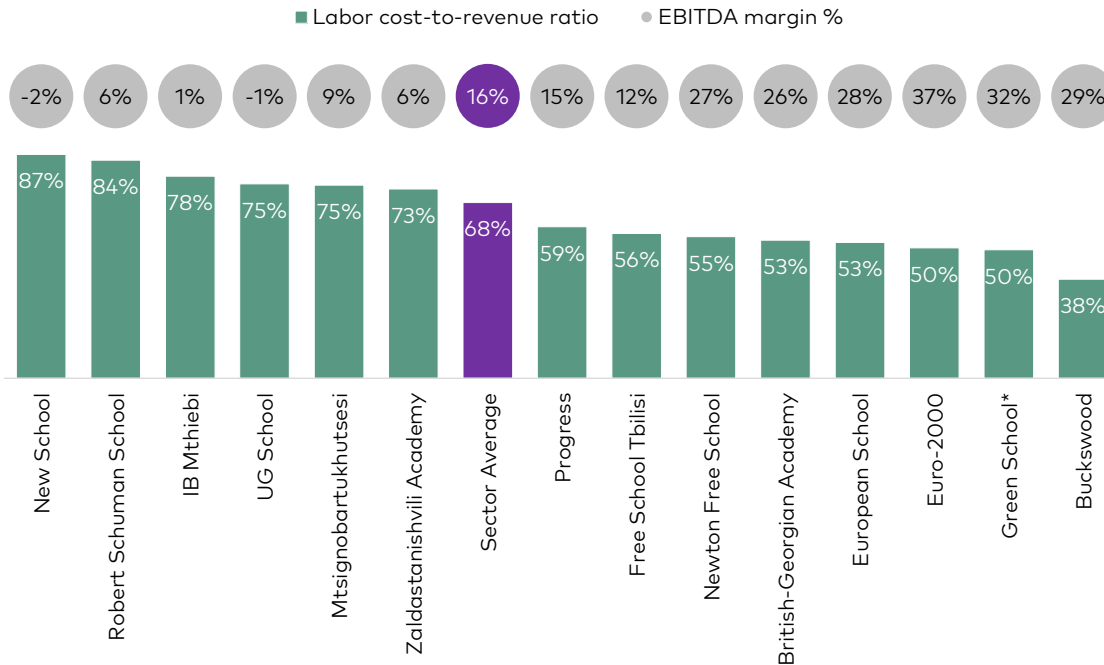
Source: Geostat, Galt & Taggart

Note: Average salaries in the education sector encompass administrative staff salaries as well, potentially inflating average salaries in the private education sector



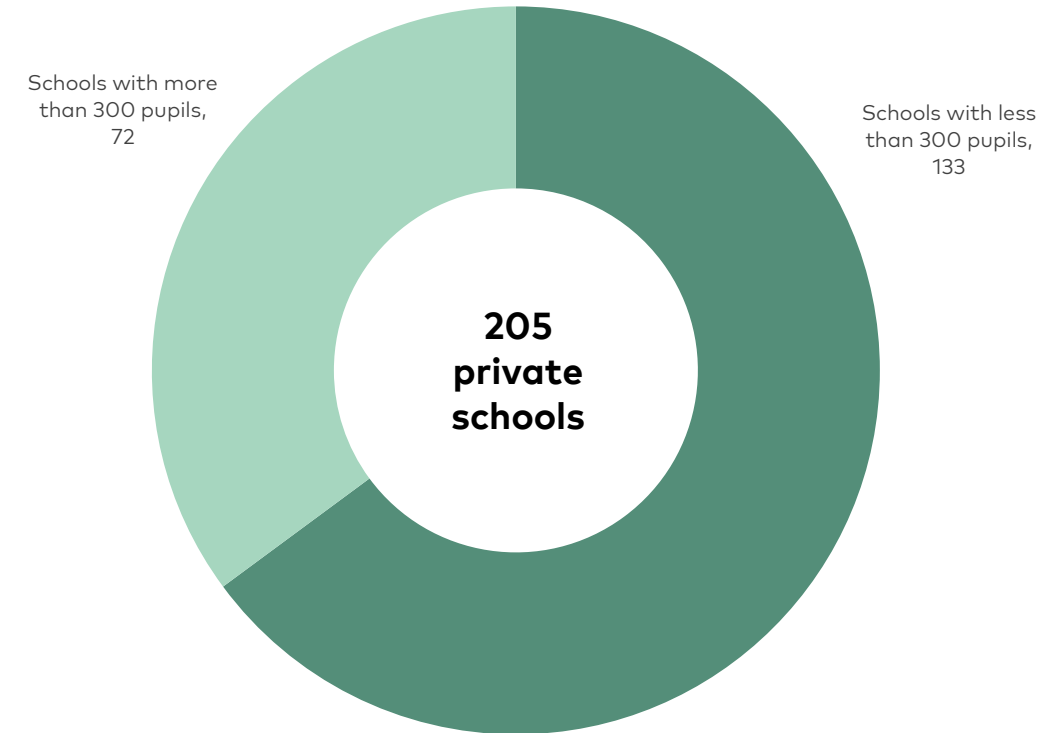
Weaker schools can't absorb the cost, opening the door for consolidation

Top private school financial metrics, 2024



High staff costs are the primary drag on private school margins. Schools with lean cost structures earn 15-37% EBITDA, while high-remuneration operators run at break-even or loss. This cost pressure increasingly favors scale, pushing weaker operators out of the market.

Number of private schools in Georgia by size, 2026



Yet with 133 of 205 private schools having fewer than 300 pupils, the market remains fragmented. This points to a likely shift from owner-operated to institutional operators, as scalable business models are better equipped to absorb cost, regulatory, and quality pressure.



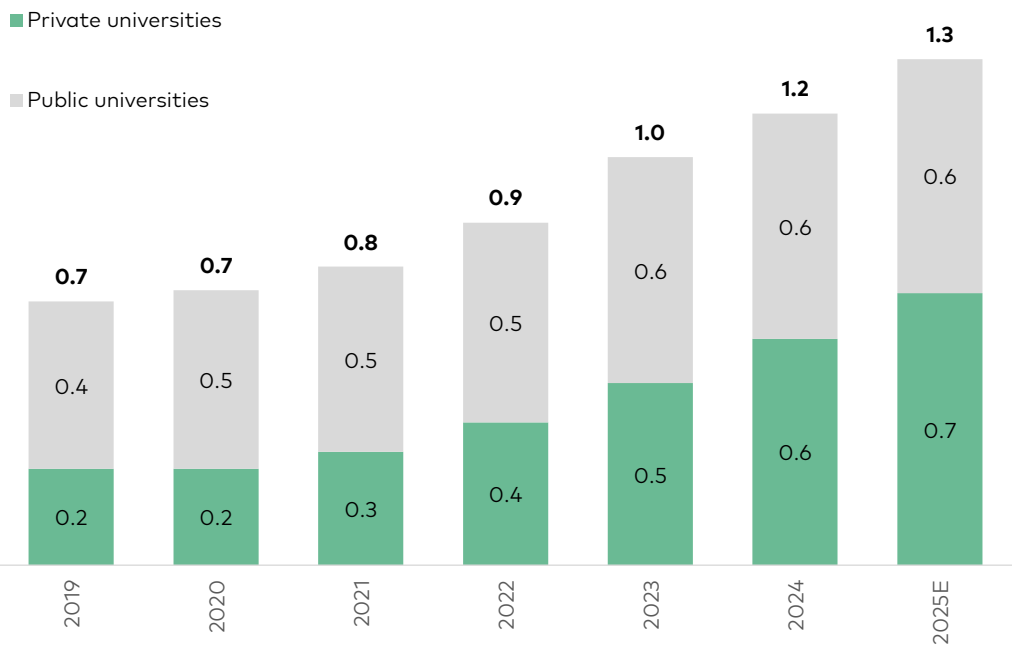
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Higher Education



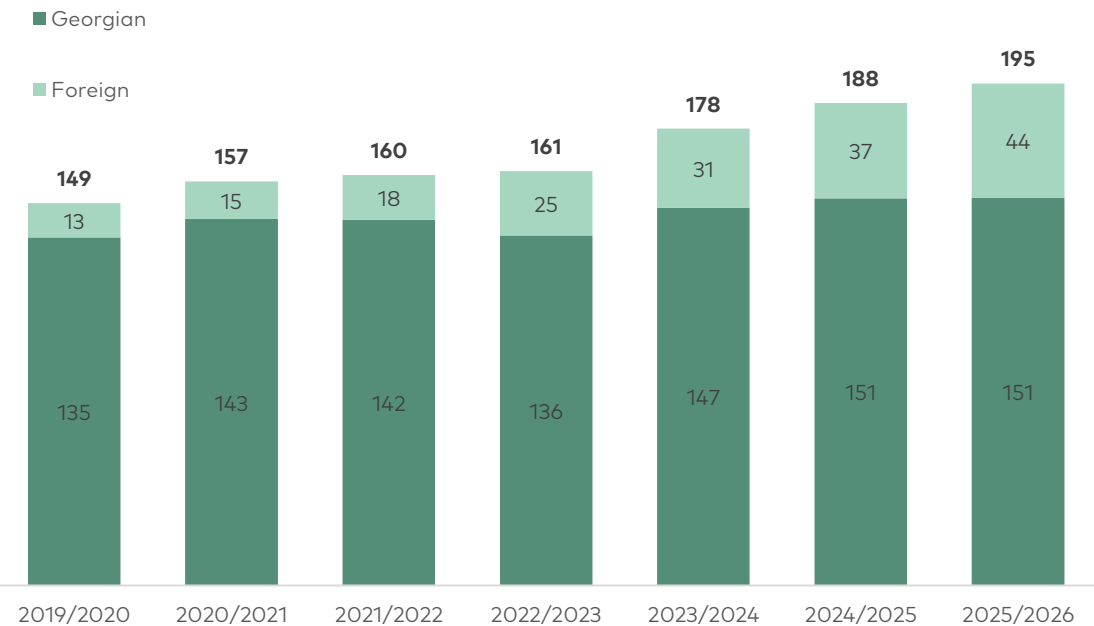
Higher education revenue increased at 11.5% CAGR over 2019-25, primarily driven by foreign students

Higher education: Revenue of private and public sectors, GEL bn



Higher education growth was primarily driven by the foreign students across both public and private universities. Private university revenues grew at a 18.9% CAGR over 2019-25, compared with 5.8% in public universities.

Number of students in higher education institutions by nationality, '000

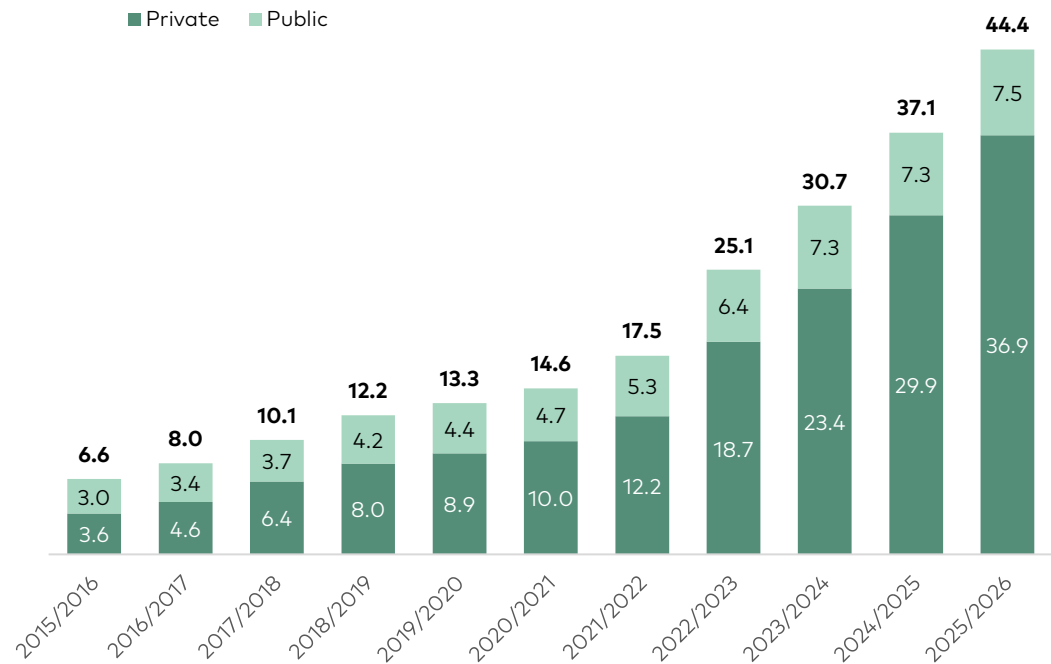


The number of foreign students increased threefold over 2019-25, while the number of Georgian students also rose, but more modestly.



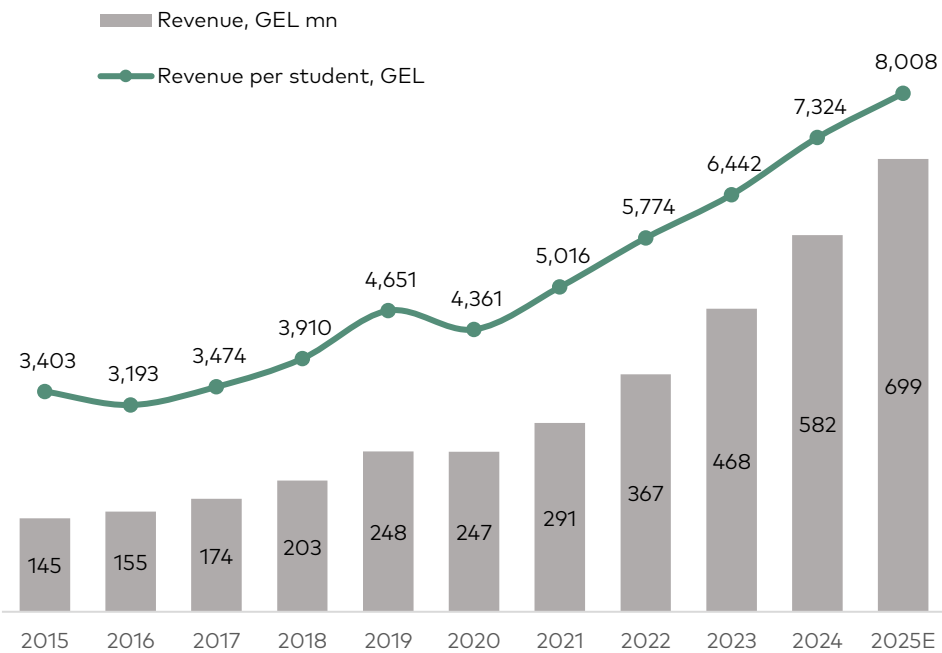
Foreign students mostly opt for private universities, government-imposed limits on foreign enrollment in public universities will further reinforce this trend

Number of foreign students in Georgia by the type of institution, '000



Private universities already host 83% of foreign students as of 2025. Foreign student quotas in public universities are expected to further boost demand for private education sector in Georgia.

Revenues of private universities

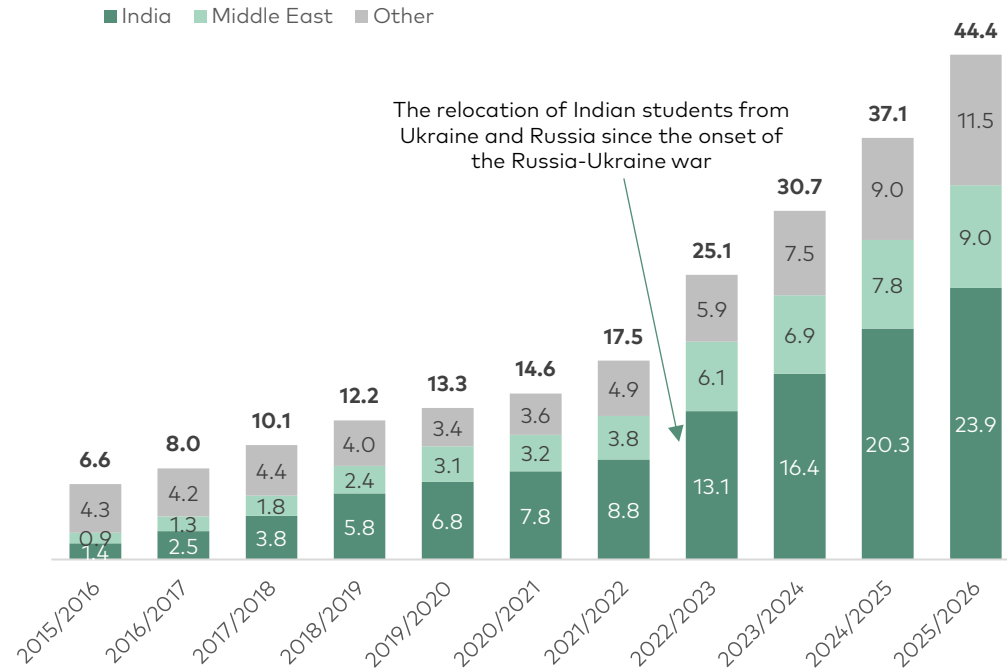


Foreign students typically pay higher fees, increasing private university revenues, as reflected in a 1.5x rise in average revenue per student over 2019-2025.

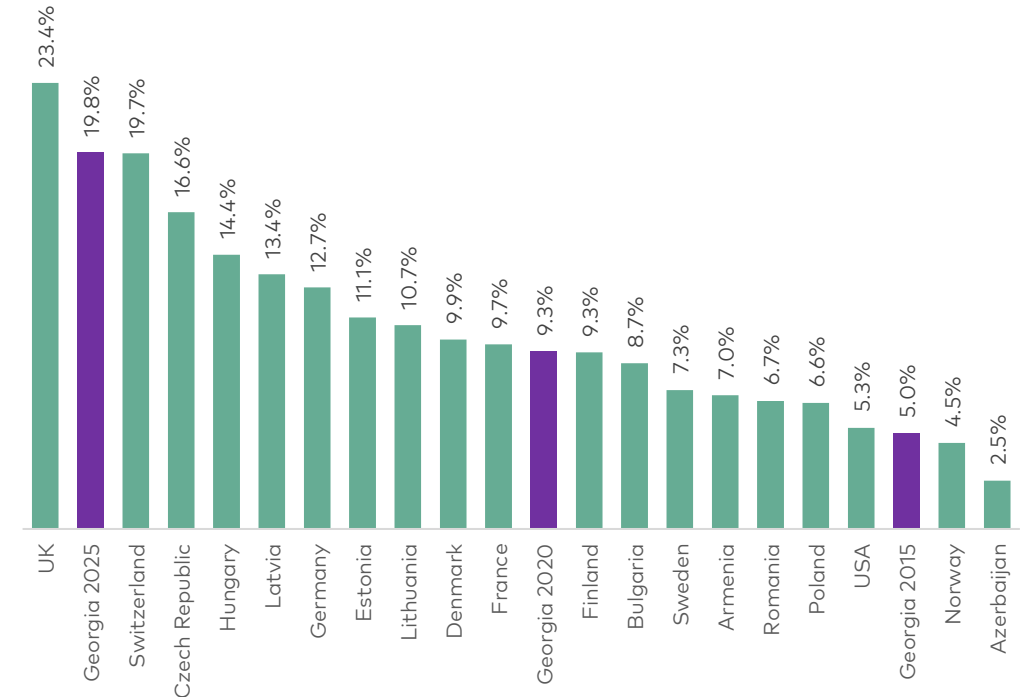


Foreign student demand is led by Indian students, positioning Georgia among the world's top destinations by inbound mobility

Number of foreign students in Georgia by nationality, '000



Inbound mobility rate by country, latest available data, %



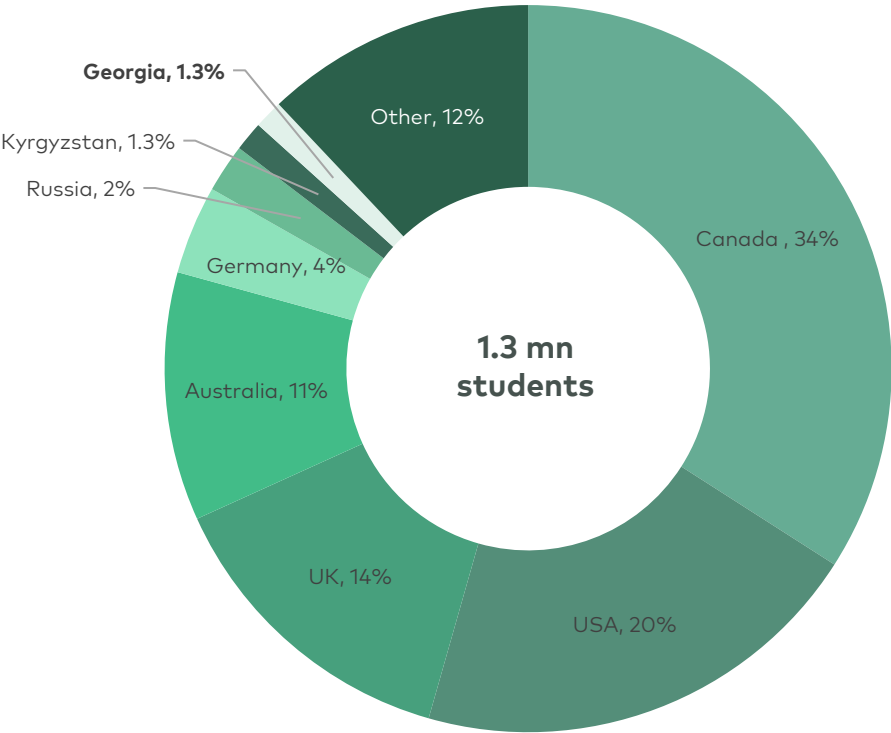
Indian students have been the primary growth driver of foreign enrollment in Georgia. Despite growing interest from the Middle East and other regions in recent years, India still accounts for 53.8% of total foreign students as of 2025/26, with the majority concentrated in a single program.

As a result, Georgia's inbound mobility rate has climbed to 19.8% in 2025 from 5.0% in 2015 - now among the highest globally. However, with India accounting for the bulk of this growth, the sector has become structurally concentrated.



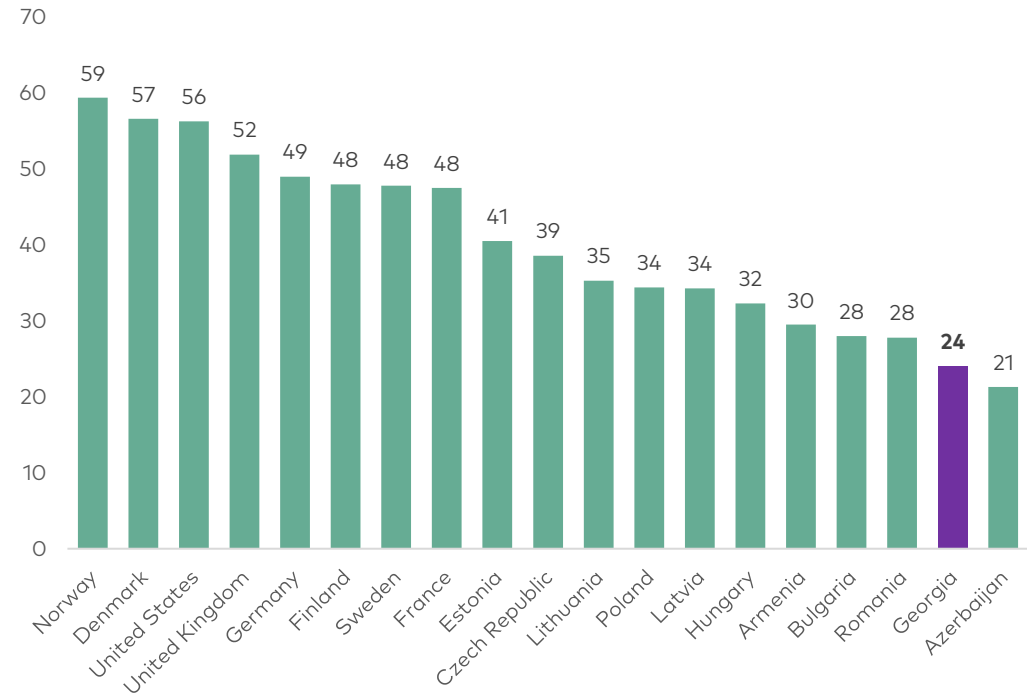
Georgia ranks as the 8th largest destination for Indian students, supported by its affordability and accessibility

Indian students studying abroad by destination country, January 2026



Georgia is the 8th largest destination for Indian students, accounting for 1.3% of all Indians studying abroad as of Jan-26, supported by its geographic proximity and relatively easy accessibility.

Cost of living plus rent index by country, 2026



Georgia has one of the lowest cost of living levels among peer countries, significantly below most European and OECD economies, which increases its attractiveness as an affordable destination for international students.

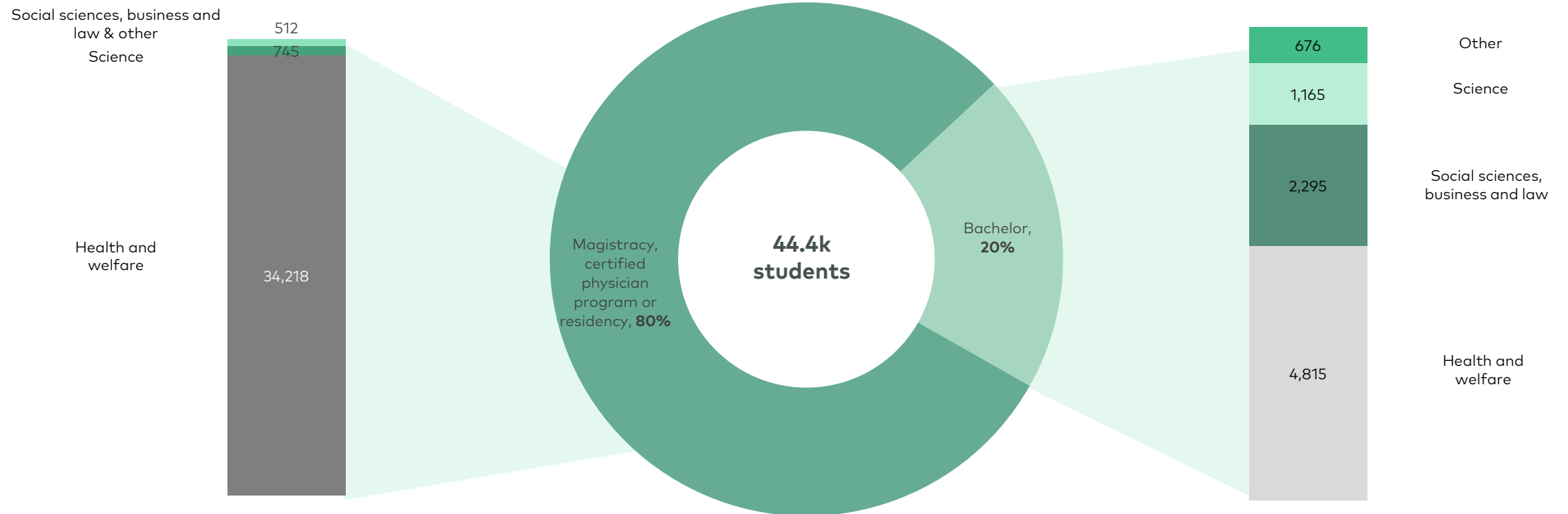
Source: Ministry of External Affairs of India, Numbeo

Note: The Cost of Living Plus Rent Index compares the prices of consumer goods and accommodation to those in New York City



Foreign students mostly apply for health and welfare master programs

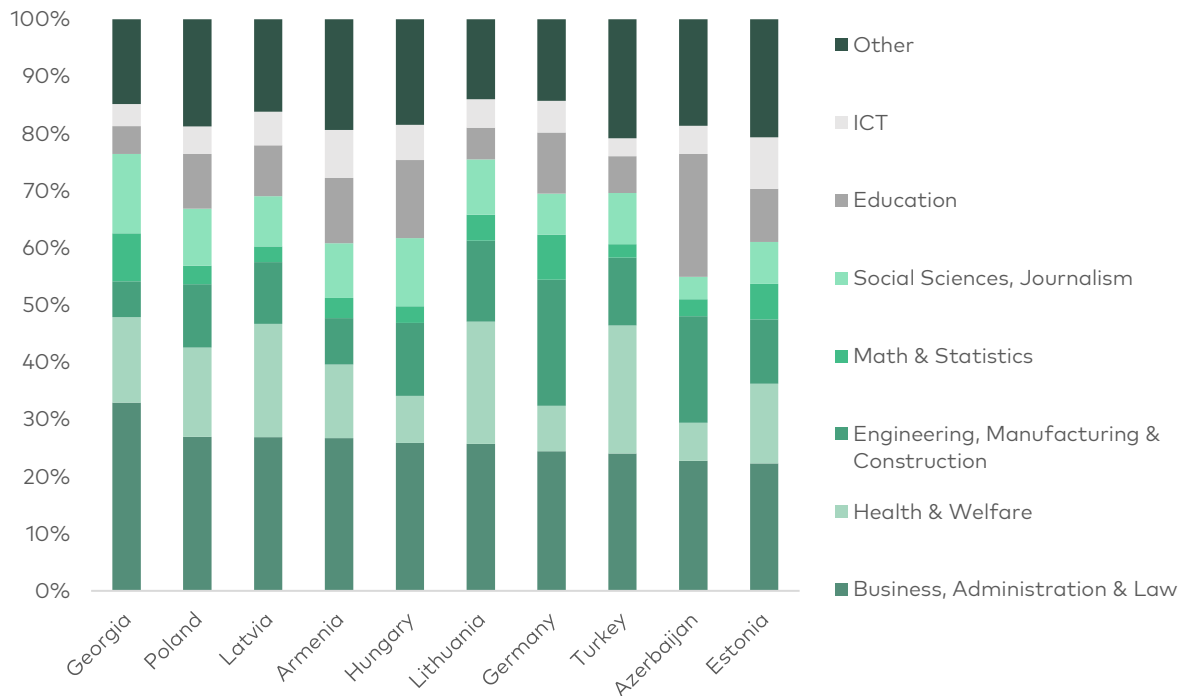
Number of foreign students in higher educational institutions by level of studies and programs, 2025/26



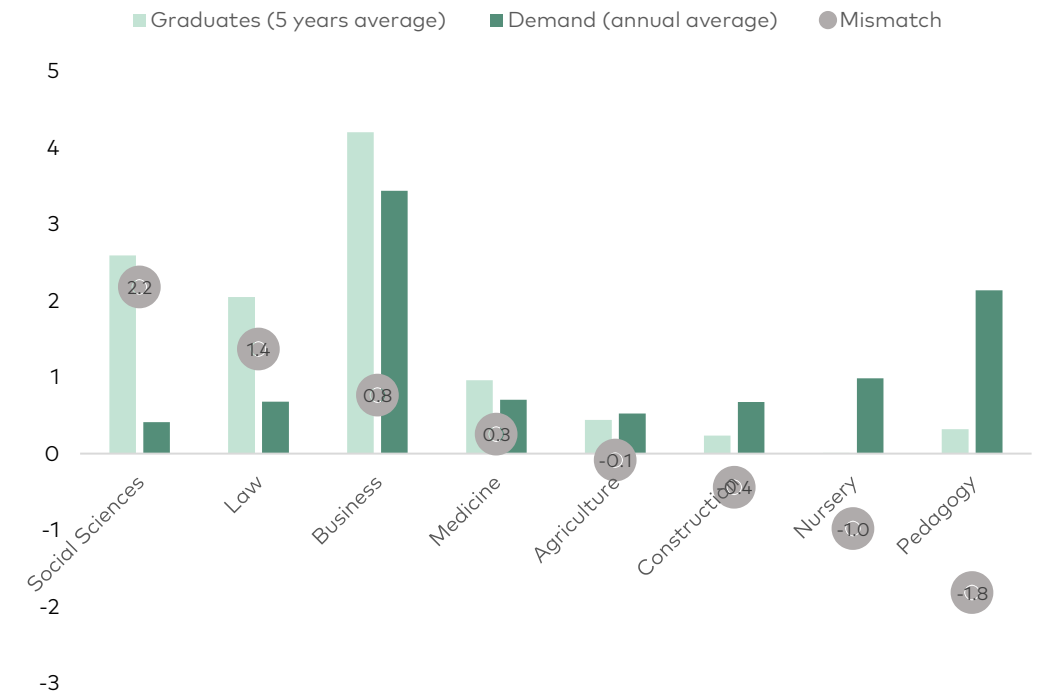


Meanwhile, local graduates don't match the labor market demand in Georgia

Distribution of students enrolled in tertiary education by programs, latest available data



Job market analysis in Georgia conducted by MES, '000

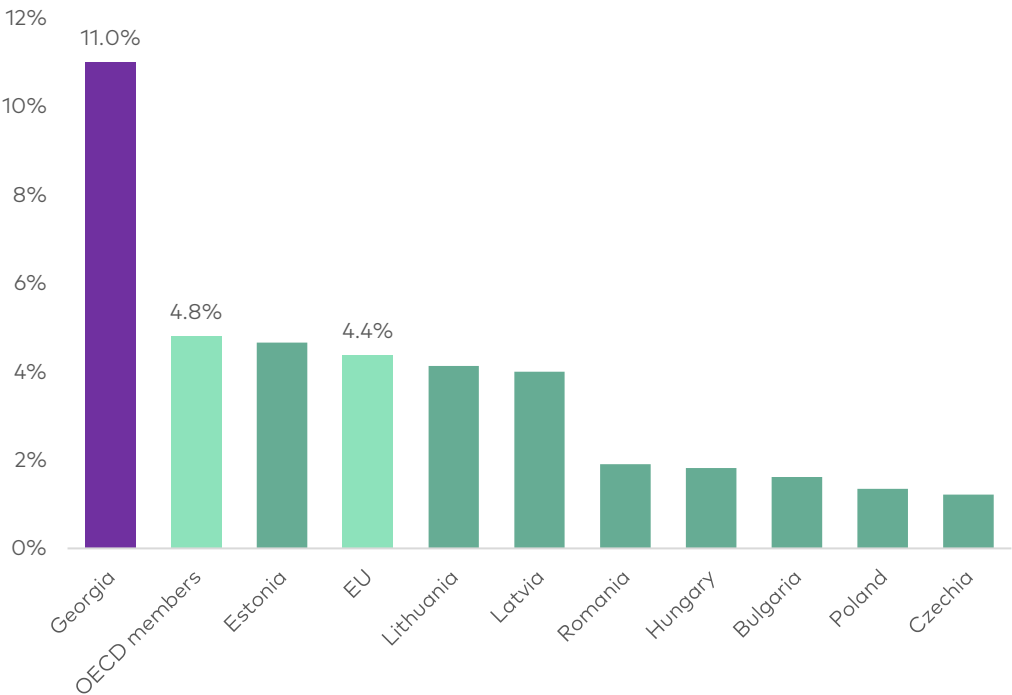


The same is evidenced in the MES's labor market analysis conducted in 2026, where the country faces an oversupply of graduates in soft/commercial fields relative to what the labor market can absorb and a severe shortage of vocational workers.



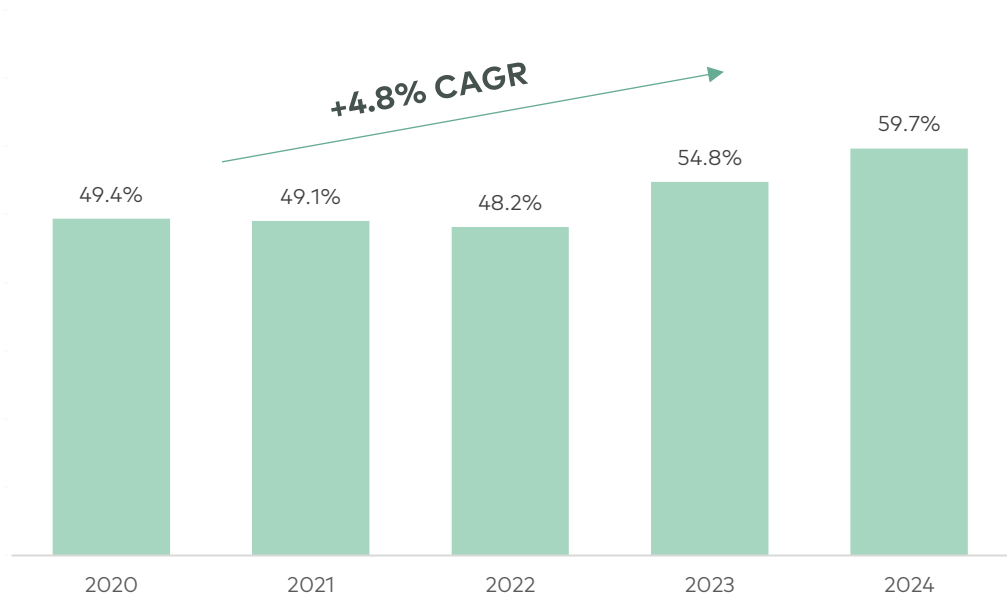
...this results in the highest unemployment among highly educated workers in Georgia among peers

Unemployment with advanced education, % of total labor force with advanced education, 2024



Unemployment among individuals with advanced education in Georgia stands at 11% in 2024, significantly above the OECD average of 4.8%, indicating a relatively weak alignment between higher education outcomes and labor market demand compared with peer countries.

Employment rate of recent graduates aged 20-34 (%)



On the other hand, employment among recent graduates aged 20-34 increased to 59.7% in 2024 from 49.4% in 2020 (4.8% CAGR), suggesting improving labor market absorption of graduates.

Source: World Bank, Geostat, Galt & Taggart

Note: Advanced education comprises short-cycle tertiary education, a bachelor's degree or equivalent education level, a master's degree or equivalent education level, or doctoral degree or equivalent education level; The employment rate of recent graduates is calculated for individuals aged 20-34 who simultaneously meet the following conditions: 1. Are employed; 2. The highest level of education attained corresponds to levels 3-8 of the International Standard Classification of Education (ISCED) (general secondary education and above); 3. Were not in education or training during the past four weeks; 4. Have completed their highest level of education within 3 years prior to the survey.



The government introduced higher education reform in 2026, aimed to align graduates with labor market demand

One city - one faculty

Advantage: Concentrating disciplines allows financial and academic resources to be pooled in fewer institutions, potentially raising output quality per field.

Disadvantage: Reduces cross-disciplinary learning and collaboration, increasingly valued by employers and embedded in European frameworks.

3+1+1 degree structure

Advantage: Shorter programs reduce time and cost to degree, accelerating entry into the workforce - relevant for fields where practical skills matter more than academic depth.

Disadvantage: Reducing curriculum length without a corresponding improvements in education quality could weaken graduate competencies, employability, and the international competitiveness of Georgian degrees.

State-order funding model

Advantage: Fully state-funded tuition in public universities removes financial barriers, potentially broadening access to higher education across income groups.

Disadvantage: State-defined admission quotas may reduce universities' flexibility to respond promptly to changing student demand and labor market needs. In addition, it is important that the funding model provides sufficient support for research activities, which play a critical role in enhancing teaching quality and driving the continuous improvement of academic programmes.

Foreign student ban for public universities

Advantage: Frees up capacity and faculty attention for Georgian students in public institutions.

Disadvantage: Removes a revenue source from public universities, though the direct financial impact is limited, as only 7,545 of 44,400 foreign students were enrolled in public institutions as of 2025.

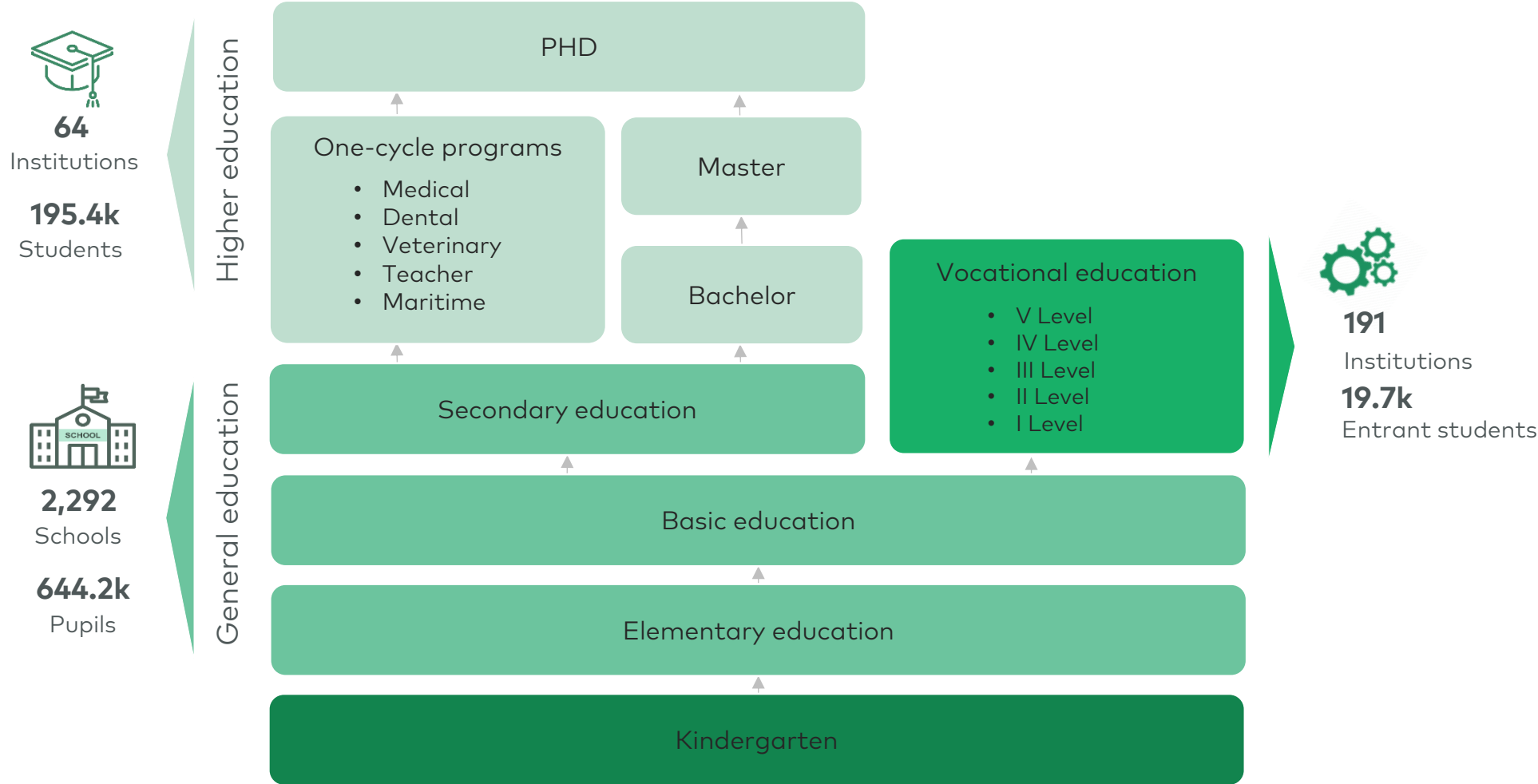


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Annex 1 – Education system in Georgia 2025/26



Source: Geostat, Galt & Taggart

Note: Vocational education Includes general and higher educational institutions that admit students to vocational programs



Annex 2 – Number of schools by regions

Number of schools by regions, units

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Georgia	2,331	2,321	2,308	2,313	2,313	2,309	2,308	2,302	2,296	2,294	2,292
Tbilisi	300	297	287	290	291	289	292	287	289	285	284
Imereti	400	398	396	396	396	396	396	393	392	392	392
Kvemo Kartli	268	266	266	267	268	267	267	267	265	265	264
Samegrelo-Zemo Svaneti	263	263	263	263	262	262	261	261	260	259	259
Adjara AR	255	255	254	255	253	253	253	253	253	254	254
Samtskhe-Javakheti	206	206	206	206	206	206	206	206	205	205	205
Kakheti	195	195	193	193	193	191	191	192	191	191	191
Shida Kartli	172	171	171	171	171	172	172	171	171	170	170
Guria	101	101	101	101	101	101	101	101	101	101	101
Mtskheta-Mtianeti	88	88	88	88	89	89	88	88	88	88	88
Racha-Lechkhumi & Kvemo Svaneti	68	68	68	68	68	68	68	68	68	69	69
Abkhazia AR	15	13	15	15	15	15	13	15	13	15	15



Annex 3 – Number of pupils by regions

Number of pupils by regions, units

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Georgia	553,914	564,729	575,181	584,374	592,883	609,095	624,524	633,302	634,311	640,686	644,243
Tbilisi	180,612	187,661	194,110	200,198	205,829	212,425	219,155	224,081	225,293	229,149	232,134
Imereti	73,970	74,780	76,038	76,603	76,914	78,682	80,421	80,829	80,702	80,205	79,969
Kvemo Kartli	66,046	67,450	68,585	69,606	70,427	72,311	73,649	74,253	74,111	74,305	74,654
Adjara AR	54,115	55,216	56,247	57,826	59,068	61,273	63,645	66,440	67,778	70,591	72,457
Samegrelo-Zemo Svaneti	43,288	43,293	43,496	43,684	43,840	44,691	45,608	45,605	45,534	45,054	44,525
Kakheti	42,723	42,915	42,859	42,707	43,100	44,343	45,386	45,547	45,225	45,583	45,489
Shida Kartli	37,153	37,411	37,801	37,799	37,772	38,502	39,215	39,454	39,334	39,585	39,582
Samtskhe-Javakheti	24,810	24,745	24,618	24,532	24,424	24,695	24,732	24,477	24,179	24,027	23,653
Guria	14,405	14,378	14,425	14,241	14,165	14,371	14,495	14,490	14,284	14,094	13,743
Mtskheta-Mtianeti	11,275	11,484	11,703	11,899	12,079	12,491	12,888	12,821	12,792	12,833	12,796
Racha-Lechkhumi & Kvemo Svaneti	3,261	3,136	3,013	2,954	2,928	2,939	2,907	2,883	2,869	2,866	2,843
Abkhazia AR	2,256	2,260	2,286	2,325	2,337	2,372	2,423	2,422	2,210	2,394	2,398



Annex 4 – Number of students by academic level

Number of students by academic level, public entities

	Total	Bachelor	Magistracy, certified physician program or residency	Professional programs
2015/16	90,452	71,465	16,185	2,802
2016/17	91,740	70,867	17,276	3,597
2017/18	93,627	71,559	18,481	3,587
2018/19	95,923	73,250	20,595	2,078
2019/20	95,535	72,938	20,026	2,571
2020/21	100,568	75,721	21,477	3,370
2021/22	101,737	76,242	21,510	3,985
2022/23	97,768	72,135	22,426	3,207
2023/24	105,142	76,987	23,628	4,527
2024/25	108,381	80,281	23,621	4,479
2025/26	108,098	80,876	22,656	4,566

Number of students by academic level, private entities

	Total	Bachelor	Magistracy, certified physician program or residency	Professional programs
2015/16	42,492	34,665	6,884	943
2016/17	48,521	38,261	9,134	1,126
2017/18	50,181	37,163	11,803	1,215
2018/19	51,791	37,808	13,345	638
2019/20	53,268	38,929	13,899	440
2020/21	56,726	42,162	14,091	473
2021/22	58,105	39,813	17,713	579
2022/23	63,524	37,902	25,390	232
2023/24	72,649	44,527	27,867	255
2024/25	79,418	45,331	33,756	331
2025/26	87,328	48,470	38,038	820



Annex 5 – Number of students by programs

Number of students by program, public entities

	2024/25			2025/26		
	Bachelor	Magistracy, certified physician or residency	Professional programs	Bachelor program	Magistracy, certified physician or residency	Professional Programs
Total	80,281	23,621	4,479	80,876	22,656	4,566
Of which						
Education	1,571	2,173	895	1,969	2,050	984
Humanities and Arts	11,789	861	78	11,224	909	77
Social sciences, business and law	32,354	3,937	880	33,226	4,013	1,041
Science	17,365	2,290	710	17,302	2,287	420
Engineering, manufacturing and construction	6,869	768	369	6,929	789	443
Agriculture	2,227	335	158	2,712	308	139
Health and welfare	2,432	13,050	305	1,939	12,110	575
Services	5,674	207	1,084	5,575	190	887

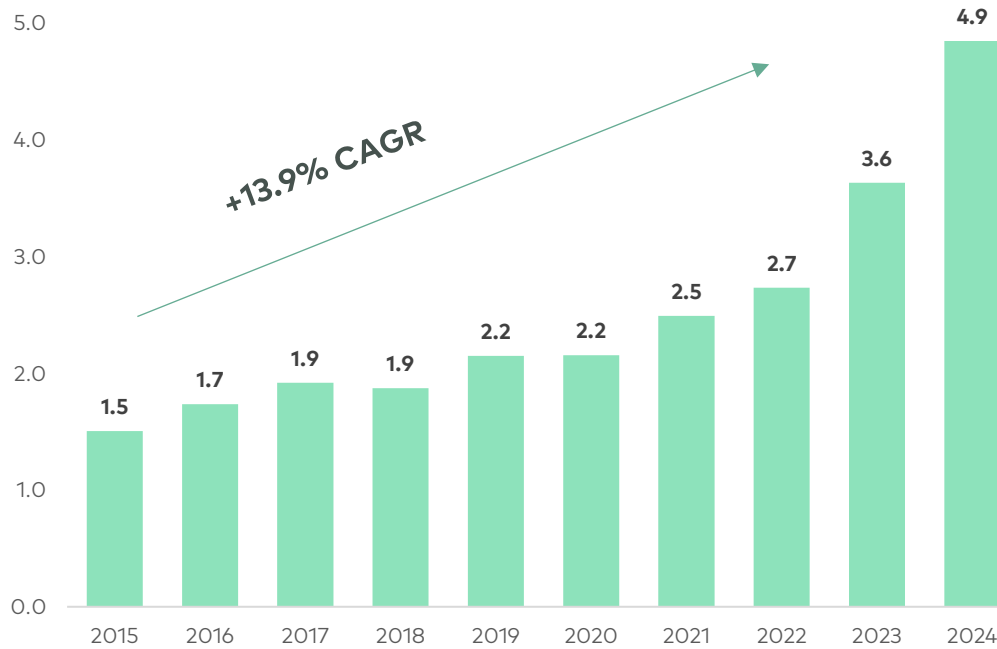
Number of students by program, private entities

	2024/25			2025/26		
	Bachelor	Magistracy, certified physician or residency	Professional programs	Bachelor program	Magistracy, certified physician or residency	Professional programs
Total	45,331	33,756	331	48,470	38,038	820
Of which						
Education	199	367	103	236	42	414
Humanities and Arts	3,481	412	-	3,508	353	-
Social sciences, business and law	25,789	3,417	73	27,403	4,045	162
Science	5,518	370	-	5,927	484	-
Engineering, manufacturing and construction	3,121	93	41	3,018	111	121
Agriculture	930	478	-	915	460	4
Health and welfare	3,841	28,573	-	5,472	32,464	-
Services	2,452	46	114	1,991	79	119

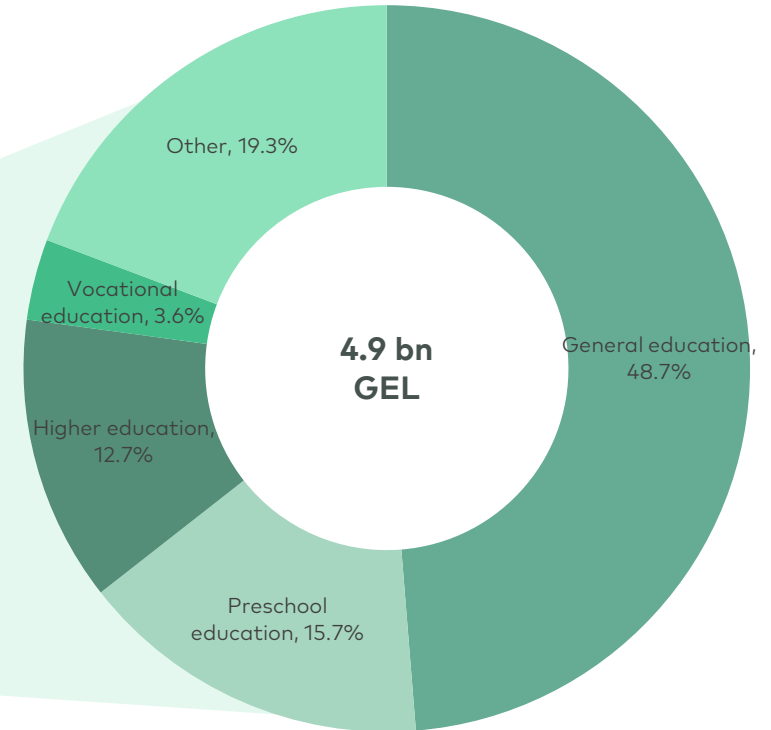


Annex 6 – Government expenditure on education

Government expenditure on education, GEL bn



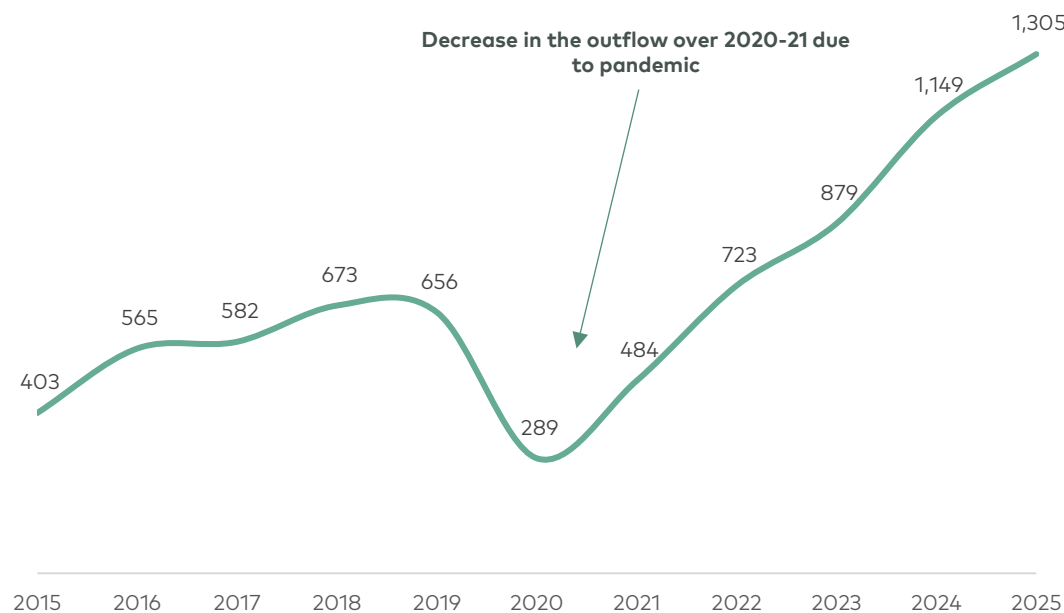
Breakdown of government expenditure on education, 2024



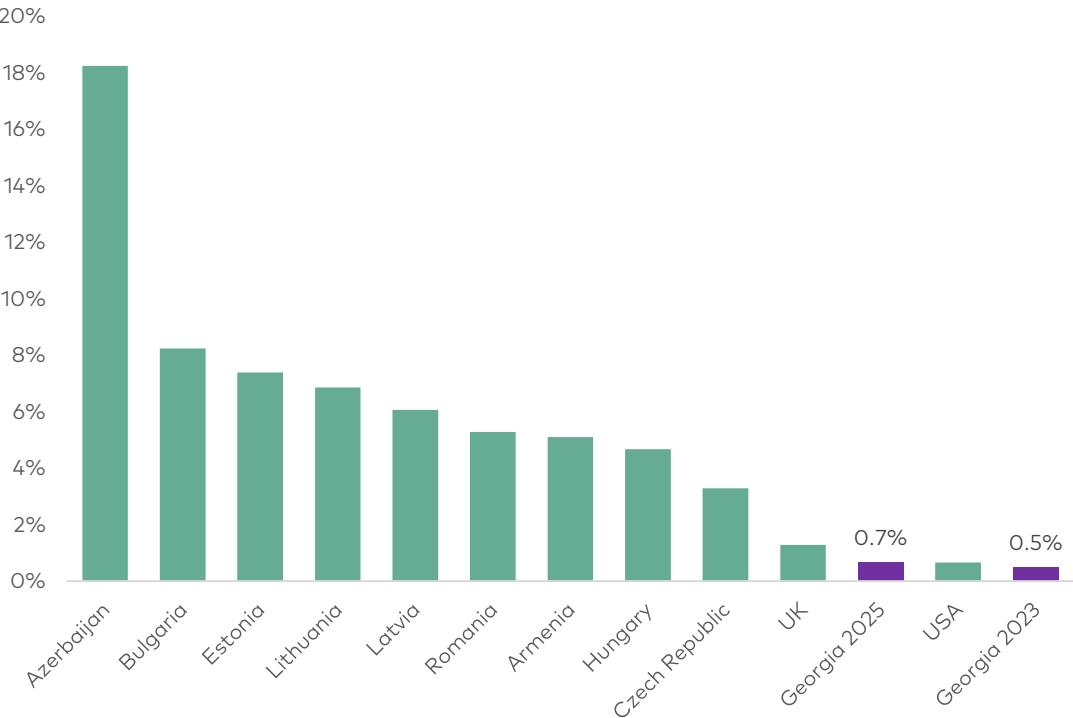


Annex 7 – Number of students sent abroad from Georgia

Number of students sent abroad from Georgia



Outbound mobility rate by country, latest available data, %



Source: Geostat, UNESCO, Eurostat, World Bank, Galt & Taggart

Note: Outbound mobility rate calculates number of students from a given country studying abroad, expressed as a percentage of total tertiary enrollment in that country



Head of Research

Eva Bochorishvili
evabochorishvili@gt.ge

Head of Tourism & Services Research

Tatia Mamrikishvili
tmamrikishvili@gt.ge

Senior Analyst

Ketevan Maghradze
k.maghradze@gt.ge

Address:

3 Pushkin Street, Tbilisi, 0108, Georgia

Tel: + (995) 32 2401 111

E-mail: research@gt.ge

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