

National

Kaladze Makes New Pitch

New Company Invests in Georgia's Growth Industries

AC Milan and Georgia football star Kakha Kaladze, who is involved in a number of ventures in his homeland, has now entered into partnership with former Georgian Prime Minister Zurab Noghaideli. The two have established Kala Capital, a new company which will undertake development projects in the banking, real estate and energy sectors.

Speaking at the launch of the Kala Capital in Tbilisi's Courtyard Marriott hotel, Kaladze said: "I want to contribute to the development of Georgia's growing economy. We (the company) recently received a banking licence and Progress Bank will launch its operations in September, offering a full range of banking services. We are also planning to implement significant projects in the energy and construction sectors, including a facility on Arsenal Mountain, which has beautiful views over Tbilisi." Noghaideli, the Chair of the new company, said: "We plan to open branches of Progress Bank nationwide and offer a universal banking service. Our goal is to offer high quality products and service to customers."

The most visible Kala Capital project will be the Arsenal development, which will cover 8,000 hectares of Old Tbilisi. This self-contained estate will include residential units, commercial space and conference centres, echoing development concepts currently popular in regeneration projects in Western Europe. 1.5 million USD will be invested in this project, which will create 25,000 jobs and add 1% to Georgia's entire national Gross Domestic Product. The company is also seeking to develop alternative energy sources and implement hydro power projects, again following renewable energy trends in Western countries such as Iceland. Noghaideli says that: "One of the most important aspects of Kala Capital is investment in the construction of new hydro power plants and oil exploration and production. We are going to fulfill all our projects in the near future."

Progress Bank has been presented to the Georgian public previously, and is already recruiting staff. When the bank obtained its licence in February, it was reported that Kaladze owns an 80% share in the bank, and that an "undisclosed British financial group" was his partner in this venture, though Kala Capital did not confirm these details at the launch. It did however announce that the income from its projects would be used to establish the Kala Foundation, a charitable body. Kaladze stated that: "we will spend our charitable funds on improving the conditions of homeless children and building football stadiums, because our goal is to improve Georgian people's welfare. We will create new jobs, bring in new investment and bring joy to Georgian families."

Simply by walking around Georgia it is easy to see that the fields Kala Capital is entering, construction, energy and banking, are growth areas in Georgia. The new company will have many competitors in all these fields, some powerful international corporations such as the Dhab Group and HSBC. As regards banking, Kala Capital director Lexo Alexishvili noted that "It's true we have big competition in Georgia, but we will try to make Progress Bank one of the leading banks and commercial enterprises in Georgia". The directors as a whole maintained that they are not afraid of competition, but rather welcome it, as it focuses their work and gives them greater determination to succeed.

Kakha Kaladze, a native of Samtredia, already has business interests in Ukraine and Kazakhstan in addition to his homeland. He is one of the most recognisable figures in Georgia, appearing on television and poster advertising as the face of Magti and on photographs of the victorious AC Milan Champions League team displayed outside betting shops. He has also featured on a Georgian postage stamp, a rare distinction for a footballer. He has been voted Georgian Footballer of the Year on four occasions.

Many footballers enter business whilst still playing, to provide a longer term income. Retired footballers with successful companies include former Manchester City chairman Francis Lee, whose F.H. Lee Soft Tissues makes toilet rolls, and Dave Whelan, proprietor of JJB Sports and Wigan Athletic. A number of Kaladze's teammates have established businesses: Dejan Stankovic owns a chain of restaurants, Bobo Vieri and Paolo Maldini produce their own line of clothing and Rino Gattuso breeds shellfish. Ironically, the announcement that Kala Capital will build a development called Arsenal comes weeks after that club knocked AC Milan out of the Champions League, Kaladze having played in both legs of the tie.

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