

## NIKA GILauri, REFORMATICS



Nika Gilauri was born in Tbilisi in 1975. He studied International Economic Relations at Ivane Javakhsishvili Tbilisi State University, graduated in Economics and Finance from University of Limerick in Ireland, and obtained MBA degree in International Business Management at Temple University in Philadelphia.

He started his professional career as a finance and management consultant in Georgia, first in Telecom and later in the state energy industry (at the time of Georgian revolution in 2003, bringing down President Eduard Shevardnadze after more than 20 years of rule). He was succeeded by Mikheil Saakashvili, initiating extensive reforms in the country, experiencing low economic development and extremely high corruption level (127<sup>th</sup> out of 132 in Transparency International's Index). Gilauri joined the Government of Georgia in December 2003 as Deputy Prime Minister, aged only 28.

The experiences he gained in the energy sector recommended him for the position of the Minister of Energy, which he took in February 2004 with the aim to resolve the problem of instability and corruption in the energy sector. He immediately dismissed more than 3,000 executives in this sector and appointed managers for the most important positions, explaining metaphorically that "doctors make the worst hospital directors". In only a couple of years, the reforms turned Georgia from a country with daily extended restrictions to an electricity exporter.

The success in countering corruption further recommended him for the Minister of Finance. He took up the position in 2007 and tackling corruption in the customs was his primary task. He led one of the most extensive tax reforms in Europe, with Georgia reducing the number of taxes from 21 to nine, and further minimizing it to only five by the time the reform was finalized (abolished road taxes, social tax, absolute rights transfer tax...). He also initiated the reduction of existing levies, including the income tax decrease from 20 to 15%. In spite of tax elimination and reduction, the tax revenues saw a ten-times increase.

He was appointed the Prime Minister of Georgia in 2009, and he spent a full term in this position (until June 2012). He ran a series of structural reforms, including the reform of healthcare (more than 100 health institutions have been constructed in only two years, through public-private partnerships), high school education etc. He took over the state leadership in a highly sensitive moment, following the conflict with Russia and the breakout of global economic crisis. At the time, Georgia was experiencing an economic downturn of 9%, which was reversed into a 8% economic growth rate by the end of his term.

During the eight years at the Government, Gilauri took part in the reforms that made his country the most successful in the Doing Business list. From 2004 to 2012 Georgia progressed from 112<sup>th</sup> to 9<sup>th</sup> position in the world (later reaching 8<sup>th</sup> place), with the highest number of implemented reforms (47) and so far it is the only "low income" country to reach the Top 10. Georgia held the 1<sup>st</sup> place in the category of Registering property, and 2<sup>nd</sup> in another three (construction permits, protecting minority investors, starting a business).

Following his time as the Prime Minister, he managed the state stock fund and later established a consulting company Reformatics, participating in more than 20 advisory projects in four continents, sharing Georgia's reform knowledge. He published a book about the experiences in conducting reforms titled "Practical Economy". He also serves as an Advisor in McKinsey. He is married with one daughter.