

Trade NL – Georgia

Georgia is member of the WTO and has, since 2004, pursued a progressive trade policy. Free Trade with CIS countries is in place and Georgia is formally benefiting from GSP+ with the EU and Turkey. The EU is exploring the options for enhanced trade relations, including the possible establishment of a free trade agreement between the EU and Georgia, problematic areas for the EU are lack of qualified food safety standards. In recent consecutive years Georgia's foreign trade has been growing rapidly. In 2006 trade turnover increased by 39%, reaching \$4.7 billion USD, with exports increasing by 15 % (up to \$993 mln. USD) and imports by 48 %. (up to \$3.7 billion USD). Import tariffs have been abolished on almost 90 % of goods, and only three low rates remain (0%, 5% and 12%) instead of the previous 16. Georgia's main exports are scrap metal, machinery, chemicals, fuel re-exports, citrus fruits, tea, nuts and wine. It has a comparative advantage in the sectors of processed food, minerals and fresh food. A comprehensive national export policy is not in place yet.

Georgia has signed a number of bilateral, regional and international agreements to eliminate trade barriers, facilitate the cross-border movement of goods and services, and increase investment opportunities for the businesses. These trade agreements help to level the international playing field and encourage the government to adopt open and transparent rulemaking procedures as well as non-discriminatory laws and regulations. They also support the strengthening of business climate through elimination or reduction of tariffs, improvement of intellectual property regulations, opening of government procurement opportunities, easing the investment rules, and much more. Between the Netherlands and Georgia, treaties in the field of tax and double taxation are in place.

Georgian foreign trade amounted to USD 6 456.9 million in twelve months of 2007, growing by 39.9 percent as compared to 2006. The country's exports experienced 32.5 percent increase and reached the sum of USD 1 240.2 million, while imports grew even more – by 41.8 percent – and amounted to USD 5 216.7 million. The largest trading partners for Georgia are Turkey (first place), Ukraine (second place) Russia (third place), Azerbaijan (fourth place), also Germany, The USA, Bulgaria, United Arab Emirates (UAE), China and Turkmenistan.

The trade relations between the Netherlands and Georgia – in terms of import/export volumes – is fairly limited but growing.

(thousand US Dollars)

Year	Export from Georgia	Import from NL
2000	1.956.0	8.491.0
2001	3.489.4	10.499.8
2002	4.377.8	15.395.1
2003	9.894.6	23.770.0
2004	9.840.1	34.600.1
2005	11.331.9	53.087.7
2006	6.564.2	75.615.8
2007 (January- November)	11.204.8	90.045

The largest commodity categories that the Netherlands import from Georgia are: ferro-alloys, nuts, scrap and chemicals. Main items for export to Georgia are: calculators, vehicles, cosmetics, medicines and perfumes.

Foreign Direct Investments in Georgia from the Netherlands:

(thousand US Dollars)

Year	FDI from NL
2000	4.422.1
2001	1.500.6
2002	0
2003	0
2004	0
2005	492
2006	18.530.2
2007 (Q1-Q3)	173.892.5