



# Georgia's Free Trade Regimes

**Ministry of Economy and Sustainable Development of  
Georgia**

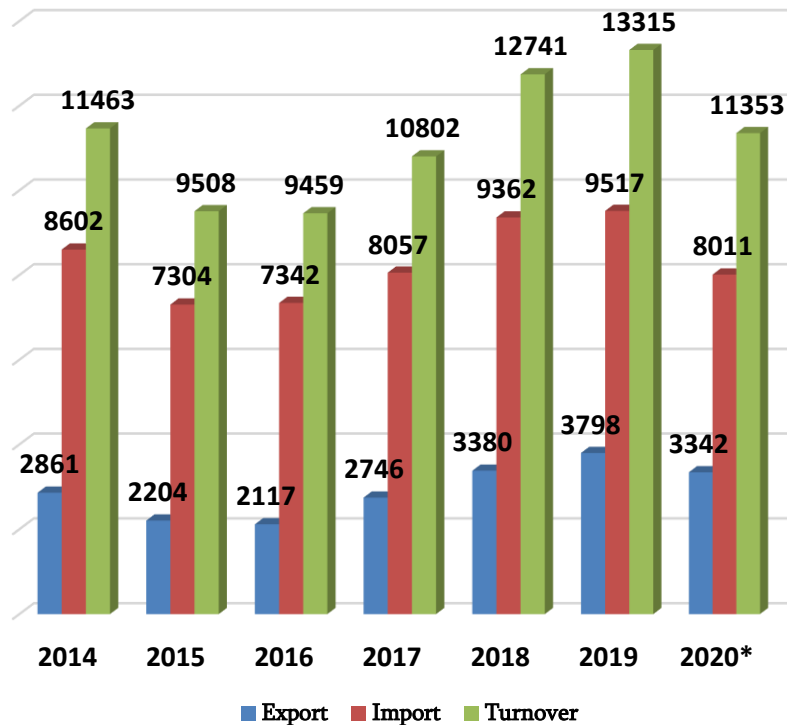
# Foreign Trade Policy in Georgia

- **Tariff policy on imports** – 80% of commodities free of import tax. 3 types of import tariff rates – 0%, 5% and 12%. Only alcoholic beverages and automobiles are subjected to specific import tax.
- **Tariff policy on exports** - export or re-export from Georgia is free of customs taxes.
- **Free trade regime** – Georgia enjoys free trade with 1/3 world population consumer market.
- **Preferential regimes (GSP)** - USA, Canada, Japan.
- **Indirect taxes** – the rates of value added tax and excise tax is equal for local and imported products.
- **Licenses and permits** – there are no non-tariff restrictions (licensing, quotas, prohibitions and others) in foreign trade unless necessary to protect health, safety and environment.

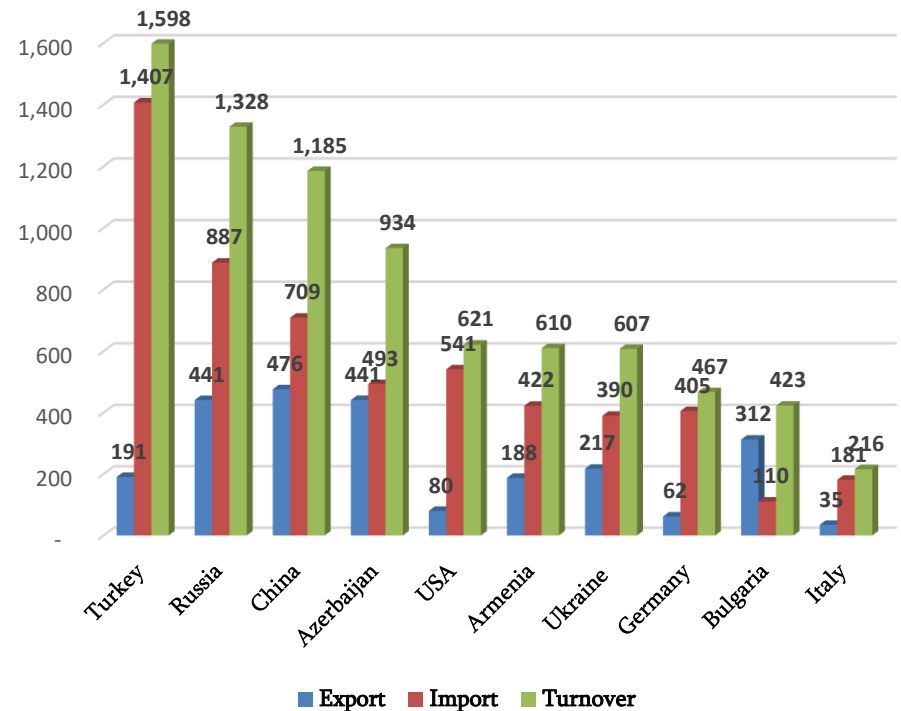
# Foreign Trade Turnover 2020

- Georgia's Foreign Trade Turnover - 11 347.7 mln US dollars, decreased by 14.8%
- Import - 8 005.6 mln US dollars, decreased by 15.9%
- Export - 3 342.1 mln US dollars, decreased by 12%

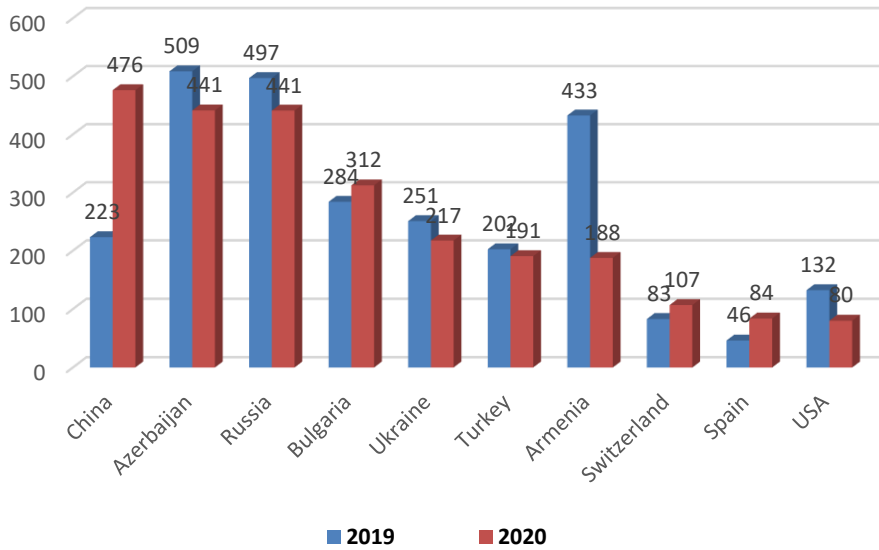
Foreign Trade turnover of Georgia (Mln.USD)



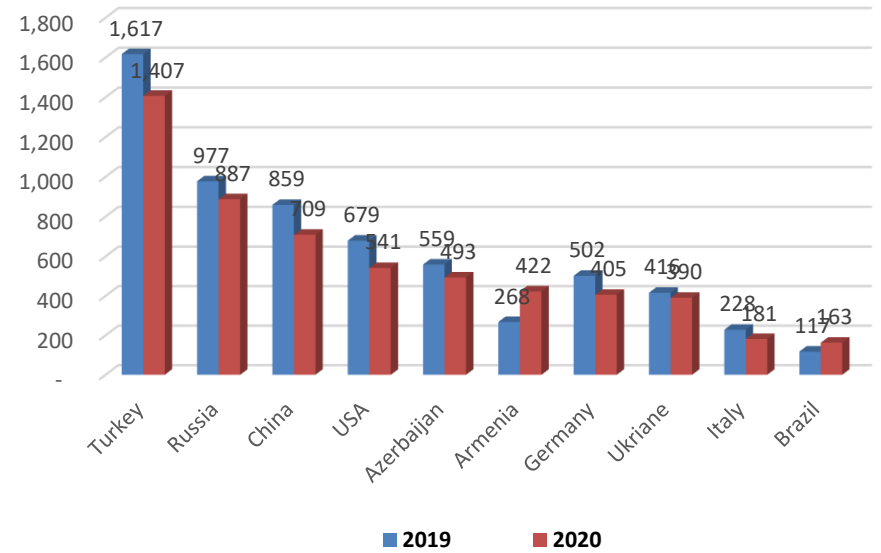
Top trade Partners by 2020 Turnover (Mln. USD)



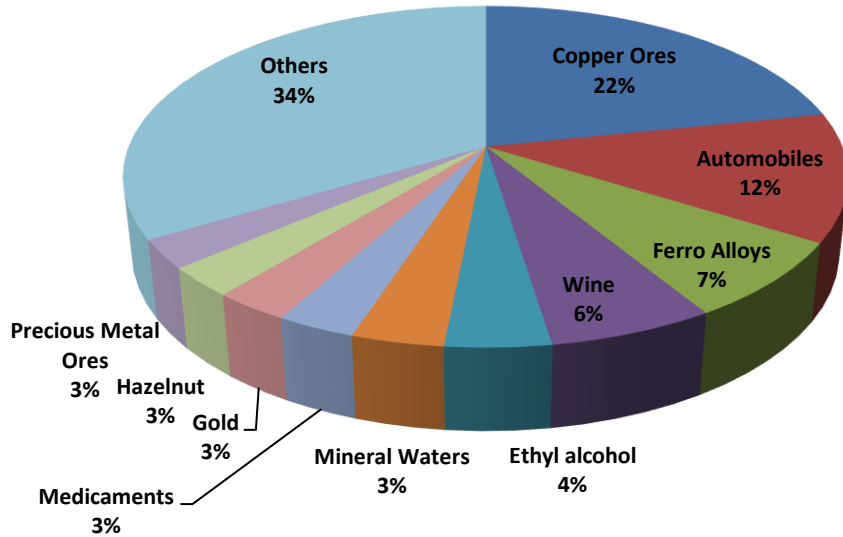
**TOP TRADING PARTNERS BY EXPORTS IN 2020 (Mln.USD)**



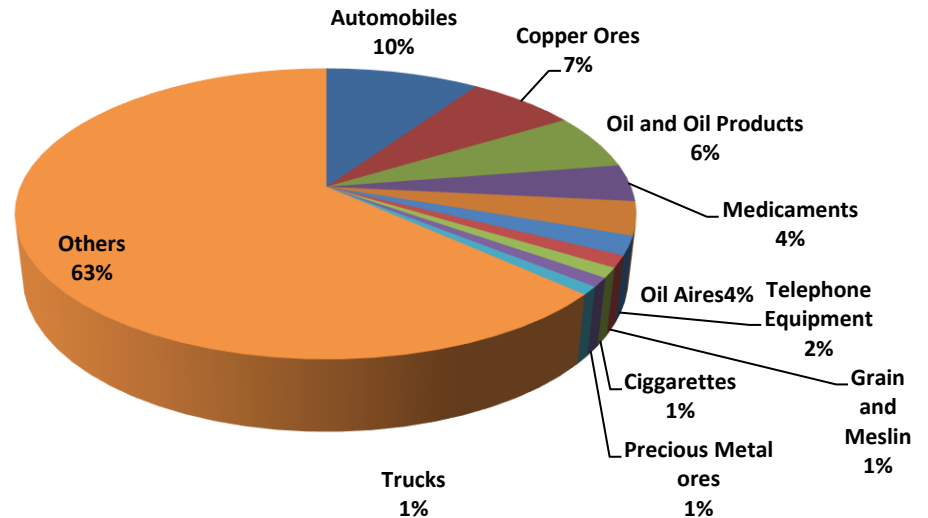
**TOP TRADING PARTNERS BY IMPORTS IN 2020 (Mln.USD)**



**Top Commodity positions in Export 2020**

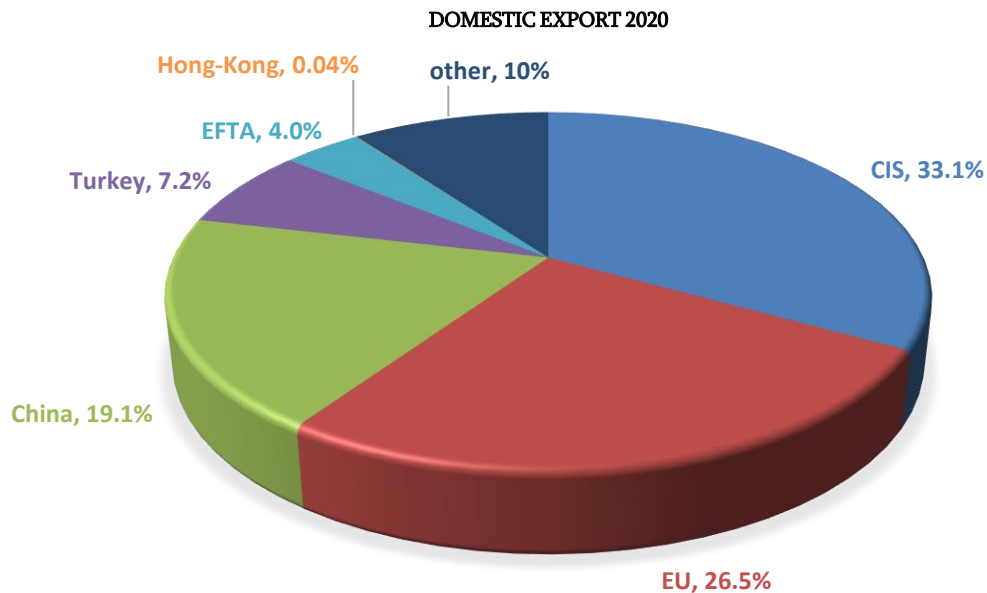
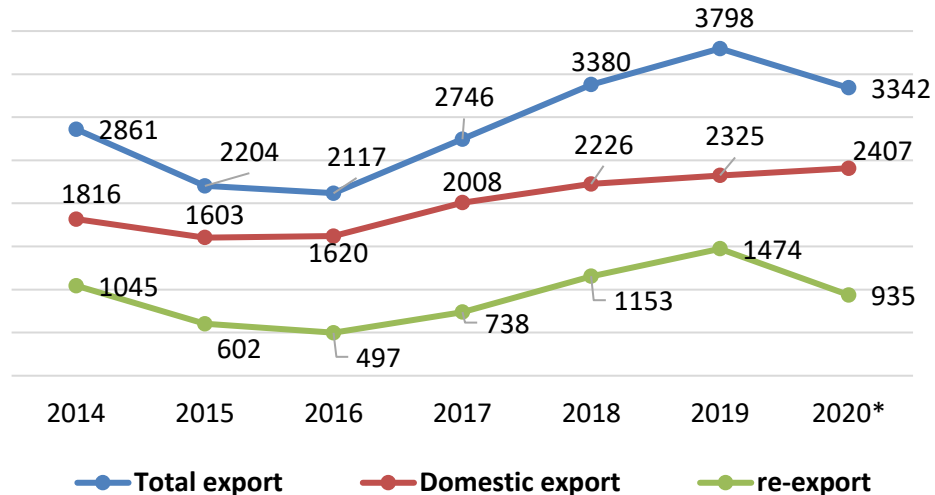


**Top Commodity Positions in Georgia's Import 2020**



- **Domestic Export 2020** (without re-export) - 2 407 mln US dollars, growth by 4% and 72% of total export (61% in 2019)
- **Re-export** - 935 mln US dollars, decreased by 36.5% and 28% of total export
- 90% of domestic export made to countries under free trade regime

**Domestic export and re-export of Georgia (Mln.USD)**



# Preferential Trade Regimes in Georgia



Trade under GSP with USA, Canada, Japan

### Ongoing

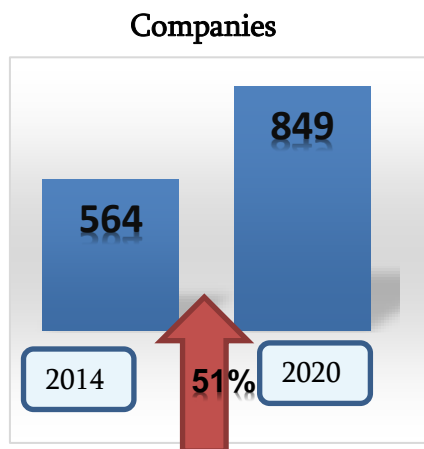
- FTA between Georgia and India
- FTA between Georgia and Israel
- FTA Georgia and Korea
- Further Liberalization of Free Trade Agreement between Georgia and Turkey

### New export commodities on EU market since the enactment of the DCFTA

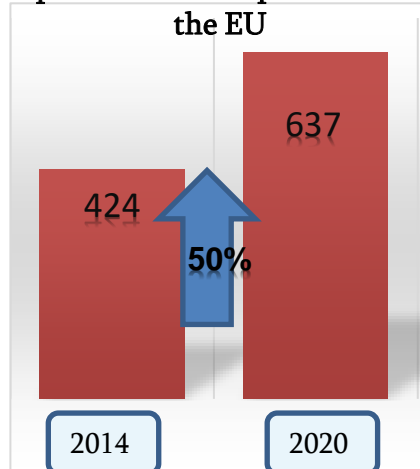
- Fresh fruits – apple, quince, persimmon, kiwi, blueberry
- Dried fruit – persimmon, blueberry, wild plum, apple, berries
- Dried lemon
- Fruit jams – peach, apple, tangerine, feijoa, kiwi, blueberry
- Glass products
- Plastic products
- Izotopes
- Honey
- Fish products
- Animal furniture

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### Growth of domestic export and local export companies since the enactment of the DCFTA



### Export of domestic production in the EU



### Georgian Production in EU Export

- 2014 - 65%
- 2020 - 89%

### New animal products on the EU market:

- wool
- honey
- fish and fish products
- processed leather

## Free Trade Regime with CIS Countries

- Since 15 April 1994 Georgia is the contracting party of the Multilateral Agreement on the Creation of the Free Trade Zone of the Commonwealth of Independent States. The Agreement had been ratified by all the participants, except for the Russian Federation.
- Georgia enjoys 8 bilateral agreements on the free trade regime with Azerbaijan, Turkmenistan, Armenia, Ukraine, Kazakhstan, Moldova, Uzbekistan and Russia.
- The exceptions from the free trade regime is active only with Russia. In particular, Georgian maintains import tariffs on two types of ethyl alcohol, tobacco and beer, while Russia maintains import tariffs on the two types of ethyl alcohol, tobacco and sugar.



## Georgia-Turkey

- Georgia enjoys free trade regime with Turkey since November 2008. Import tariffs on industrial commodities were removed right after the Agreement entered into force.

Agreement envisages the exceptions from the free trade regime on certain types of agricultural products, in particular:

- **From Georgia:** live domestic poultry, mutton, egg, varieties of dairy products, natural honey, certain types of fruits and veggies (tomato, walnut, citrus, grapes, apple), tea and others.
- **From Turkey:** live animals, meat products, various types of dairy products, honey, sugar, tea, certain types of fruits and veggies (kiwi, grapes, apricot, lemon and others), tobacco products and others.
- Turkey also imposes quotas on the following products, including: cream butter, tomato, melon, watermelon, apple, pear, chocolate, peanut, fruit and berry jams, fruit juice, wine and others.

# Georgia-EFTA

Free trade regime is active with Norway and Iceland since 1 January 2018 whereas it is active with Switzerland and Lichtenstein since 1 May 2018.

**Import tariffs on industrial commodities were removed immediately after the Agreement entered into force.**

## Export from Georgia under Zero Tariff Rate

**In Iceland:** mineral waters, non-alcoholic beverages, wine, ethyl alcohol, beer, fruit juices, sauces, yogurts, cabbage, greens, tomato, cucumber, honey, chocolate, macaroni and others.

**In Norway:** wine, mineral waters, ethyl alcohol, live animals, greens, fruits, hazelnut, grains, tobacco products, beer, non-alcoholic beverages, prepared foodstuff, confectionary, honey (under quota of 192 tons). Bovine, mutton, pork, poultry is subjected to quota treatment.

**In Switzerland and Lichtenstein:** wine, alcoholic beverages, beer, mineral waters, non-alcoholic beverages, honey, hazelnut, fruits and veggies (seasonal), varieties of canned fruits and veggies, meat and fish cans, mutton, pork and poultry and others.

## Commodities subjected to tariff treatment from EFTA

**Iceland** – bovine meat, milk powder, yogurt (partly), butter, cheese, egg, potato, cabbage, carrot, mushroom, grain, sausages, meat cans, crisps, ice cream and other.

**Norway** – live animals, milk powder, cheese, egg, potato, stoned fruit (seasonal), grain and others.

**Switzerland** – milk, butter, apple (seasonal), fats not for mechanical and technical purposes, canned products partially and others.

# Georgia-China

Free trade regime active since 1 January 2018

## Concessions from China

**Immediate zero - category “A”** – wine, brandies, mineral waters, non-alcoholic beverages, beer, live animals, boneless pork without carcass, poultry with carcass, turkey, fish and other sea products, grain, plants and plant parts, veggies, honey, hazelnut, fruits, chocolate, tea, fruits and veggies cans and juices, cosmetics, medicaments, forestry, textiles, cable wires, black metal and metal constructions, fertilizers, ferroe-silicon manganese, iron rods, locomotives and other.

**Zero by 4 year transitional period -category “B”** - rest of the pork, fresh or frozen bovine meat, mutton, poultry, rye, barley, buckwheat, butter, yogurt, cheese and other dairy products, macaroni, ethyl alcohol currently not produced in Georgia, oil residues, various types of phosphorus fertilizers, raw cotton, gas and air compressors, various drilling and cutting equipment, essential oils and others.

**No concessions -category “C”** - bovine meat, coffee, cereal cultures, palm and cotton oil, margarine, sugar and sugar products, raw tobacco and tobacco products, urea and other types of fertilizers, rubber products, wood barrels and other products, other wood products for flooring, cork, paper and cardboard products, 3 lines of textile, polymers, wool, automobiles, drilling machines, television parts and others.

## Georgia – Hong-Kong, Administrative unit of China

Free trade regime active since 13 February 2019

- **Full Liberalization from Hong-Kong**
- **Exceptions from Georgia** – dairy products, egg, fruits, veggies, jams, fruit juices, fruit ad veggies cans, alcoholic beverages, plastic products, cable wires and others.