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News Agency of the Countries of the Black Sea Region

### SEMINAR ON TRADE BETWEEN GEORGIA AND THE EU HELD IN TBILISI

TBILISI. 18 July. Seminar on trade issues between Georgia and the European Union (EU) was held today in Tbilisi Marriott Hotel. It was organized by Business Council EU-Georgia.

Konstantine Zaldastanishvili, secretary general of the Business Council, told journalists that the seminar was aimed at informing Georgian exporters about the preferences they could make use of when presenting their production on European markets as well as when undergoing concurrent procedures.

“Being a partner of Europe, Georgia enjoys special preferential terms, which allows it to enter European markets. 25 European countries – it’s not a small market and we should use our entire endeavor to give detailed information to Georgia exporters on how to develop their production and enter European markets successfully,” stated Konstantine Zaldastanishvili. He noted that the Business Council would permanently hold meetings with exporters in order to provide them with fresh information.

As it was noted at the seminar, Georgia was one of the countries subject to GSP (Generalized Systems of Preferences) by means of which developed countries offered low customs tariffs for the developing and transitional countries (without asking for reciprocal concession) thus facilitating their entrance into the markets.

Let us remind that the European Union granted since 1 January 2006 important preferences (duty and quota-free access) to an additional 15 vulnerable developing countries that had implemented sustainable development and good governance policies under the ‘GSP+’ incentive. On the basis of findings from international organizations including the UN and ILO, the Commission has decided to grant GSP+ benefits to Georgia, Moldova, Mongolia and Sri Lanka as well as 11 countries of Latin America.

The preferences were granted to those developing and vulnerable countries, which had ratified 23 of the most important international conventions relating to core political, human and labor rights. In addition, GSP-covered exports from that country must also represent less than 1% of total EU imports under GSP.

EU “GSP+” will come into force from 01 January 2006. It will operate till 2008. Duty-free access or a tariff reduction will cover about 7200 products, including wide spectrum of Georgia’s export – nuts, tea, various drinks, etc.

\*\*\* Being a member of World Trade Organization, Georgia enjoys Most Favored Nation Regime (MFN) in 147 countries. GSP was established in 1970th and was acknowledged by GATT’s general inhabiting clause (General Agreement on Tariff and Trade) as exception on MFN from GATT requirements.

At present GSP offers its preferences to 35 countries. There are 3 main schemes GSP – EU, the USA and Japan. Among the key instruments of GSP are removal of quota on export from beneficiary states, reduction or abolishment of tariffs on import.

According to Statistics Department of Georgia, the goods turnover between Georgia and EU countries in January-May 2006 made \$382,5 million including \$55 million of export of Georgia to the EU States and \$327,5 million – import in Georgia from the EU. Share of the EU in the foreign trade turnover of Georgia makes 23%. – 0-

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