



Newsletter

April – June 2008



EUGBC Published the First brochure on *Exporting to the European Union Market - Specific Issues*

The EUGBC is happy to present the publication on Exporting to the European Union Market - Specific Issues. This is the first edition of the three series of brochures to be published under the project carried out with support of the Delegation of the European Commission to Georgia.

The present brochure is prepared in Georgian language and includes a short summary text in English. The edition focuses on important issues in the EU-Georgia trade relations, such as tariff and non-tariff barriers to the trade with the European Union, examples of the EU non-tariff barriers, the European single market and some important aspects concerning its functioning, implementation of EU trade policy towards third countries through bilateral and multilateral relations, and legislative framework of the EU-Georgia trade and the steps towards its further development.

We consider that the brochures, published in framework of abovementioned project will provide valuable practical guidance to Georgian exporters oriented on European market.

The electronic version of the publication can be found on EUGBC website www.eugbc.net as well as on the EC Delegation's website www.delgeo.ec.europa.eu



The EUGBC took part in the first Wilton Park Conference

The EUGBC Secretary General Ambassador Konstantin Zaldastanishvili participated in the first Wilton Park Conference held in Tbilisi on June 2-4, 2008. The main theme of the conference was "The European Union and the Black Sea Neighborhood."

The conference was arranged in conjunction with Georgian Ministry of Foreign Affairs, Office of State Minister on European and Euro-Atlantic Integration and the Foreign and Commonwealth Office. Notably, it took place for the first time in Georgia. The conference was also supported by the British Embassy in Georgia.

Wilton Park, a government agency sponsored by the Foreign and Commonwealth Office in the United Kingdom, organizes conferences which usually cover key political, security, economic and social challenges in the different parts of the world.

Department of Statistics of Georgia: Georgian Economy Continues Rapid Growth

- In Q1 2008, real GDP growth rate in Georgia was 9.3%, with growth accelerating in Agriculture, Mining and Quarrying, Electricity, Gas and Water Supply, Trade and Repair Services, Restaurant and Hotel Services, Communications and Financial Intermediation.
- GDP deflator index increased in Q1 2008 by 12.3%.



For more information visit www.eugbc.net (facts and figures)

Government of Georgia Press Release: 2008 balance of Payment Results in Line with Expectations

National Bank of Georgia reported that in Q1 2008, current account deficit declined by 8.8% q-o-q to US\$723.6 mln (up 82.4% y-o-y). Exports of goods and services grew by 37.9% y-o-y in Q1 2008 to US\$821.9 mln, an acceleration of growth from 32.4% y-o-y in Q4 2007. Imports of goods and services grew by 39.4% to US\$1,636.3 mln, a deceleration of growth from 60.7% y-o-y in Q4, 2007. Total foreign capital and financial inflows in Q1 2008 reached US\$787.4 mln, up 119.6% y-o-y. In Q1 2008, net FDI increased by 17.1% y-o-y to US\$385.6 mln, whereas portfolio investment reached US\$181.7 mln (the highest-ever quarterly level), compared to an outflow of US\$22.0 mln in Q1 2007.



For more information visit www.eugbc.net (facts and figures)



The EUGBC cooperates with the Union of Black Sea and Caspian Confederation of Enterprises (UBCCE)

The EUGBC envisages cooperation with the UBCCE in a number of policy areas related to the company's profile and activities. The EUGBC Secretary General, Konstantin Zaldastanishvili held a meeting with the UBCCE, where possibilities of such partnership were discussed.

The UBCCE is a non-governmental organization composed of central, private, voluntary, nationally representative, horizontal business organizations from the countries neighboring or having strong geographical ties with the Black Sea and Caspian Region.

The Union's objective and mission is to establish institutionalized cooperation between its members with a view to assisting the economic and social development of the region and to permit concerted action by member business organizations vis-a-vis governments and the business community, favoring the adoption, where necessary, of policies conducive to the better functioning of a market economy under optimal conditions for member countries.

EUGBC has been invited to participate in the 2nd Georgia Business & Investment Summit, *Invest in Georgia 2008*, a 2-day international event to be held in Tbilisi on 16 & 17 October 2008



The 2nd Georgia Business & Investment Summit is at an advanced stage of preparation. It will be a follow-up of a very successful 1st event in November 2005 which attracted many investors and was greatly praised by all concerned, especially for the networking value and new business.

The forthcoming Summit will take place in Tbilisi at the Courtyard Marriott on 16 and 17 October 2008. Senior Representatives of the Government and business circles will discuss current and planned reforms, infrastructure development and investment opportunities in several regions of Georgia. There will be presentations and sessions on the new Financial Sector Service Act, the free industrial zone plan, "cheap credit" projects, tourism development, road rehabilitation, water supply, etc. not to forget Georgia's increasing demand for quality commercial and residential real estate infrastructure in urban areas.

The EU-Georgia Business Council has started preparation to participate in the forthcoming summit. The EUGBC encourages its Members to take advantage of this wonderful networking event and start preparation of necessary materials to present at the conference.



The EU-Georgia Bilateral Agreement on recognition and protection of geographic indicators of agricultural products and other food stuff

The third round of negotiations regarding establishment of the EU-Georgia Bilateral Agreement on recognition and protection of geographic indicators of agricultural products and other food stuff was held between the European Commission and Georgian Delegation on April 10-11, 2008 in Brussels.

The Georgian Delegation was chaired by David Jalagania, Director of the European Integration Department of the Ministry of Foreign Affairs of Georgia. The European party was presented by Nicolas Verle, Head of the European Neighborhood Policy (ENP) Division of the European Commission's Directorate-General for Agriculture and Rural Development. At the meeting the parties discussed the structure and text of the draft agreement prepared by the European Commission.

Georgian side is now working on the text of the draft agreement to follow the national procedures as determined by the Georgian legislature. The next round of the negotiations is planned to be held in October 2008. The Bilateral Agreement is intended to be signed by the end of the year.



The EU-Georgia Free Trade Agreement (FTA) Feasibility Study has been concluded

The EU-Georgia Free Trade Agreement (FTA) Feasibility Study has been concluded. The study was carried out by the Polish think tank "Case Warsaw" and its aim was to evaluate the economic feasibility and implications of free trade agreements (FTAs) between the EU and Georgia as well as of greater regional integration between Georgia, Armenia, Azerbaijan and the Black Sea countries.

The Government of Georgia has carefully studied the Feasibility Study on EU-Georgia FTA, and has prepared detailed comments to its essence as well as content, which the Government looks forward to discuss with the European Union. It has been agreed that both EU and Georgia support establishment of Deep and Comprehensive FTA. Negotiations about this cooperation will continue at the forthcoming EU-Georgia cooperation Committee Meeting to be held in Brussels in September.

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