

Georgia-Europe Business Council

FROM THE REDACTION

A new initiative of BP, Statoil and Wissol for rendering assistance to business in Georgia

Presentation of Georgia-Europe Business Council took place in Tbilisi (we wrote about this Council in the previous issue, in the interview with Mr. Kote Zaldastanishvili)

Russia's economic embargo, which first of all affected the Georgians' national pride • wine, made many people think seriously. Wine export to the Russian market made a considerable profit to the Georgian budget and, of course, this change will have a negative effect on Georgia's GDP, that is why taking of concrete decisions is necessary. What steps should Georgian businessmen take for exporting Georgian wine and what guiding line should we follow? Some experts believe that Russia's decision, in spite of Anischenko's desire, has made a good publicity for Georgian wine. Is the EU interested in this problem and who will drink Georgian wine?

In connection with the beginning of consultations on the bilateral agreement on wine trade between Georgia and the EU, the founder members of the EU-Georgia Business Council • BP, Borjomi, Statoil and Wissol held a reception in the head office of TBC Bank on June 15, at which almost all famous Georgian wine companies.

Tamar Beruchashvili:

- **On June 12 active consultations between Georgian and European experts concerning conclusion of the bilateral agreement on the future of wine began. Similar agreements have already been concluded with a number of states • Australia, Chile, and South Africa. In view of the fact that, proceeding from the current realities, the issue of markets' deregulation has acquired topicality, the Georgian authorities asked the EU for holding of consultations. The exchange of views concerning the wine sector was successful, plans for the future have been outlined as to what step-by-step measures should be taken for conclusion of the agreement, which will give us an opportunity of making the wine export more active, familiarizing ourselves with all the requirements existing on the EU market and acquainting them with our treasure. In general this implies the activity of business unions, presentation of the Georgian export potential and production to the EU part, as well as familiarization with and inculcation of all the rules, requirements and norms, without which subsequent continuation of relations cannot be conceived. Of course, it is a long process, since the EU market is rather a difficult one. It is really interesting task • how we should work on the stable, predictable but difficult market.**

- In your opinion, can Georgian wine production meet the EU's rigid requirements in the existing situation?

- It can, since export is already being implemented, small steps are being taken but there is a positive export dynamics. The companies' marketing strategy is important, the matter does not concern the fact that a concrete company should advertise itself, first of all the authorities should make publicity to Georgian products, to wine in this particular case.

- But for Russia's embargo on Georgian wine, would the same tasks have been set and the same steps made?

- Probably, there are positive aspects in all negative things. We can consider Russia's embargo as an incitement that awakened us, what was going on could not be continued, in spite of the fact that Russian market can bear a lot in view of its size, character and regulation, there is not so much of Georgian wine so that it should lose its prestige in this mess. It is important to use the existing moment in our favor and set

real tasks for Georgian wine. First of all we should take care of quality, as to Georgian wine and vine, the main issue here is protection of wine sorts determined in accordance with geographical names, that is retention of wines according to the place of their origin. It is one of important subjects in European approaches as well, since behind them are the countries having long-standing traditions and culture. During the negotiations our topics differ from Australian ones, which protect trade marks. Of course, struggle against falsification is in store for us as well. Everything that was mentioned above requires time and the result will not be instantaneous, but Georgian wine will not have serious future without interference with this process.

- What should be the volume of Georgian wine export to the EU countries?

- Georgia should have a very modest niche. In spite of the fact that now the EU market is overladen, the main subject for spoiled European consumers is new sorts of wine that will meet their requirements.

- A lot of arrangements are held with the purpose of exporting our wine to Europe, but is recovery of Russia's market planned, on which Georgian wine used to be sold in large quantities and the Georgian economy received profits?

- It is a political issue, but no one claims that is far from being falsified, and though the decision was a political one, I think that the decision on returning to the Russian market will be political one as well.

Badri Japaridze • the Director General of •Borjomi•

- The main purpose of this arrangement is to familiarize the official representatives of the European Commission with the producers of Georgia wine and their products, in order to start active work on presentation of Georgian wine in the EU countries.

- What are the chances of Georgian wine for entering the EU market?

- Georgian wine has all possibilities to take a certain niche on the EU market. However, with the purpose of achieving this goal, it is necessary that Georgian producers should exactly know the requirements of this market, the level of competition, where the niche for Georgian wine can be, etc.

- How many wine producers are there in Georgia?

- There are quite a lot of them, but it is the number of those that produce high quality wine that matters.