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GEORGIA HOPES FOR FREE TRADE REGIME TALKS WITH THE EUROPEAN UNION

State Minister on European and Euroatlantic Integration Giorgi Baramidze says the action plan of the European Neighborhood Initiative should also involve the launch of free trade talks in the next three years.

The launch of the regime is Georgia's key goal, the State Ministers said today addressing a one-day workshop on trade issues between Georgia and the European Union, organized in Tbilisi with the assistance of the EU-Georgia Business Council. The approval of the plan under the European Neighborhood Initiative is planned in the second half of the year.

Torben Holtze, head of the European Commission representation in Georgia, says Georgian products will face no problems in entering the European market. The real challenge is to gain a footing on the market, for which building contacts and improving product quality is important, he says.

Jemal Inaishvili, the chairman of the Commercial and Industrial Chamber of Georgia, says Georgia "saw" that the EU is to become the main trade partner after Russia imposed a ban on Georgian products. However, granting preferences should not be expected to Georgian wines, due to interests of the wine producing countries.

The preferential system (GSP+) the EU granted to Georgia, which covers over 7,000 products, does not extend to wines.

According to the Department of Statistics of Georgia, in 2005 the trade turnover with the EU made up \$836.65 million, or 25% of Georgia's turnover.

Of the figure, \$165.3 million was a share of exports and \$671.38 million imports from the EU.