

STATEMENT of EUGBC

on THE SIGNATURE OF THE ASSOCIATION AGREEMENT

BETWEEN EU AND GEORGIA

Tbilisi, 04/07/2014

The signature of the Association Agreement (AA) and the Deep and Comprehensive Free Trade Area (DCFTA), which took place in Brussels on 27 June, is a landmark for Georgia moving forward on the EU course. And it has a very important meaning for Europe too.

The agreement is far more than a set of rules and regulations; it represents more than a trade agreement. It will introduce further reforms that will progressively bring Georgia to resemble the Member States of the EU, economically, socially and politically, while promoting regional stability, prosperity and democracy.

The agreement will benefit both EU and Georgian businesses, by opening up new markets and providing for a more secure business environment for investment, along with the progressive harmonization of laws in trade-related sectors. Businesses on both sides are expected to save about EUR 90 million a year in import duties, with the benefits being primarily on Georgia's side.

Georgia currently exports 25% of its total exports to the EU. The reforms required under the agreement will help integrating Georgia with the EU economy - therefore boosting competitiveness - and will make exports to the EU much easier. For example, the introduction of food safety and hygiene standards will enable Georgia to export meat, dairy products and fish to the EU.

It is crucial that Georgian businesses will seize the opportunities. Georgian businesses whose goods meet the EU standards will trade freely in any EU country, without restrictions. Likewise, EU exporters and investors will be able to operate in Georgia, benefiting of its skilled labour force and its business friendly environment. Freedom of establishment is another key element. Georgian entrepreneurs will be able to set up a company or a branch in any EU country and bring qualified Georgian staff for a limited amount of time to work in the EU. Service providers (managers, consultants, translators, etc.) will also be able to offer their services in the EU for a limited period.

We believe it's very important achievement that Georgia, Moldova and Ukraine have successfully concluded the most ambitious agreements in trade liberalization with Europe.

The EU will actively work with Georgian authorities and businesses along the reform process in order to upgrade the regulatory environment, the institutions and the industries to the necessary standards. The Delegation of EU to Georgia carries particular role in this respect.

The signature of the agreement brings huge responsibilities. All sectors of the society must be mobilized in this effort. EUGBC will continue its active engagement with the Government of Georgia, the EU Institutions, and Business Community and with all relevant internal and external stakeholders to materialize means of the Association Agreement.

To sum up, this agreement is an investment in the future. And when accompanied by comprehensive reforms, it will bring tangible benefits for the country's future growth. Our agenda is to have stability, for more trade, for more investment, for growth, for jobs, for prosperity.