



European
Commission

EU-GEORGIA TRADE

DEEP AND COMPREHENSIVE FREE TRADE AREA (DCFTA)

Reforms that benefit people and business - FACTSHEET

The EU is Georgia's most important trading partner, accounting for more than a quarter of Georgia's total trade. Since September 2014, when a free trade area was set up, both partners can trade freely with each other. The free trade area (DCFTA) was set up as part of the Association Agreement between the EU and Georgia and aims to gradually integrate Georgia's economy with the European economy. The path to closer integration includes through more trade and investment but the key is the reform of Georgia's economy.

WHAT HAS THE AGREEMENT DELIVERED TO DATE?

- Georgian exports to the EU rose by 12% in the first six months of the free trade agreement. EU exports to Georgia have remained stable: there has been no sudden increase of EU exports to Georgia.
- Exports of some Georgian products doubled or even tripled in the first six months of DCFTA, for example hazelnuts, copper, petroleum oils.
- Georgian service providers can access the EU market for services as never before. The Georgian market has also opened to European know-how and technology in services. Companies may offer services by going to the country or across the border (e.g. online).
- Georgian companies can now already open subsidiaries or offices in the EU and benefit from direct presence and access to customers in the EU, in almost any manufacturing or services sector. The EU companies can do the same in Georgia. They can send their staff for training, exchange know-how, or search for a business partner.
- Georgia and the EU are creating domestic advisory groups composed of civil society and business representatives. They will advise the Georgian Government and the European Commission on draft laws and monitor the DCFTA reform process.
- The EU is helping Georgia with reforms to trade to make it easier to export. Technical assistance projects include specific programmes and/or advisory expertise from EU countries to the Government of Georgia.
- Georgia is making progress in complying with EU sanitary requirements. This means more Georgian food products will in the future be authorised to be sold in the EU.
- A special facility for small and medium-sized businesses has been launched. It will provide help for local banks and make it easier for small and medium-sized businesses to get funding from local banks to modernise their business. The facility is a joint initiative of the European Commission, the the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).



Did you know that...

In the first six months of free trade agreement, Georgia exported 285 thousand tonnes of petroleum oils to the EU, a rise of nearly a quarter compared to the same period the year before.

Source: Eurostat



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WHAT ARE THE NEXT STEPS IN 2015?

- Under the free trade agreement, the EU and Georgia have removed all their import duties on agricultural products. The agreement also provides for a plant to be set up to reform Georgia's rules on animal and plant health and hygiene. The reform plan will become part of the agreement in the autumn. This will be an opportunity to make Georgian food products safer for Georgian consumers, make it possible to export them to the EU and boost Georgia's exports of agricultural products worldwide.
- Georgian and EU civil society organisations will meet in autumn for the first time in Tbilisi. They will discuss the impact of the free trade agreement on the society and exchange best practices for their involvement in domestic law-making and monitoring of reform process.
- EU-Georgia governmental consultations will continue checking the reform process. The EU will continue providing advisory and financial assistance to meet the aims of the free trade agreement and to keep the reforms on track. EU and Georgian business also need to intensify their efforts to get in contact with each other, to explore opportunities and to find business partners, e.g. through chambers of commerce or business associations.
- EU and Georgian traders need to remember that they can export/import duty free, but proof of Georgian/EU origin needs to be provided.

You can also send an email to TRADE-DCFTA-GE@ec.europa.eu to find out more or ask specific questions.



Did you know that...

In the first six months of the free trade agreement Georgian exports of fruit juices to the EU more than tripled.

Under the free trade agreement Georgia has started exporting some products to the EU that it did not export to it before, such as acyclic alcohols and synthetic filament yarns.

Source: Eurostat

Useful links

- Export Helpdesk – your gateway to the EU market
<http://exporthelp.europa.eu/thdapp/index.htm>
- TARIC database on products subject to duty-free quotas for import to the EU
http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en
- SURVEILLANCE database on products subject to anti-circumvention mechanism at import to the EU
http://ec.europa.eu/taxation_customs/dds2/surv/surv_consultation.jsp?Lang=en
- EU-Georgia trade relations (European Commission website)
<http://ec.europa.eu/trade/policy/countries-and-regions/countries/georgia/>
- EU Delegation to Georgia
http://eeas.europa.eu/delegations/georgia/index_en.htm