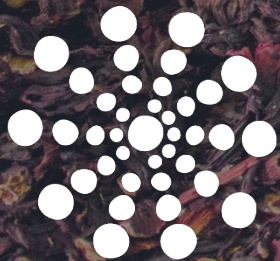


# The overview of the current Agricultural Trade Policy in Georgia



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# Content

- General facts
- Agricultural trade development in 2013-2016
- Measures of agricultural trade policy
- Trade agreements
- Main measures of domestic support
- Institutional Support to Export

# General Facts

- 43,4% (more than 3 mln. ha) is agricultural land. Arable land 802 thousand ha, perennials 264 thousand ha, grazing land 1940 thousand ha
- Climatic Zones: from Subtropical to semi-desert
- 49 soil types and 22 microclimatic zones
- Black sea coast line 315 km
- Ample renewable water recourses: total area 63,3 km<sup>3</sup> – 860 lakes, 45 water reservoirs
- Long lasting tradition of winemaking, fruit and vegetable growing, producing grapes, citruses, tea, nuts, hazelnuts, greens, etc.
- Long vegetation period, enabling to have early and/or late harvest of different crops



## Wide range of high value agricultural crops:



Grapes, more than 500 endemic varieties



Greens



Nuts



Citruses



Wide range of fruits and vegetables



High value tea products



Greenhouses

# Agricultural trade development in 2013-2016

- The agricultural industry is one of the key sectors of the Georgian economy

- Since 2011, the share of agricultural sector in GDP of Georgia began to grow. In 2013 it reached 9,4%; In 2016 it was 9,3%

- The main import partners are the Russian Federation, Ukraine, Turkey, Brazil and Germany

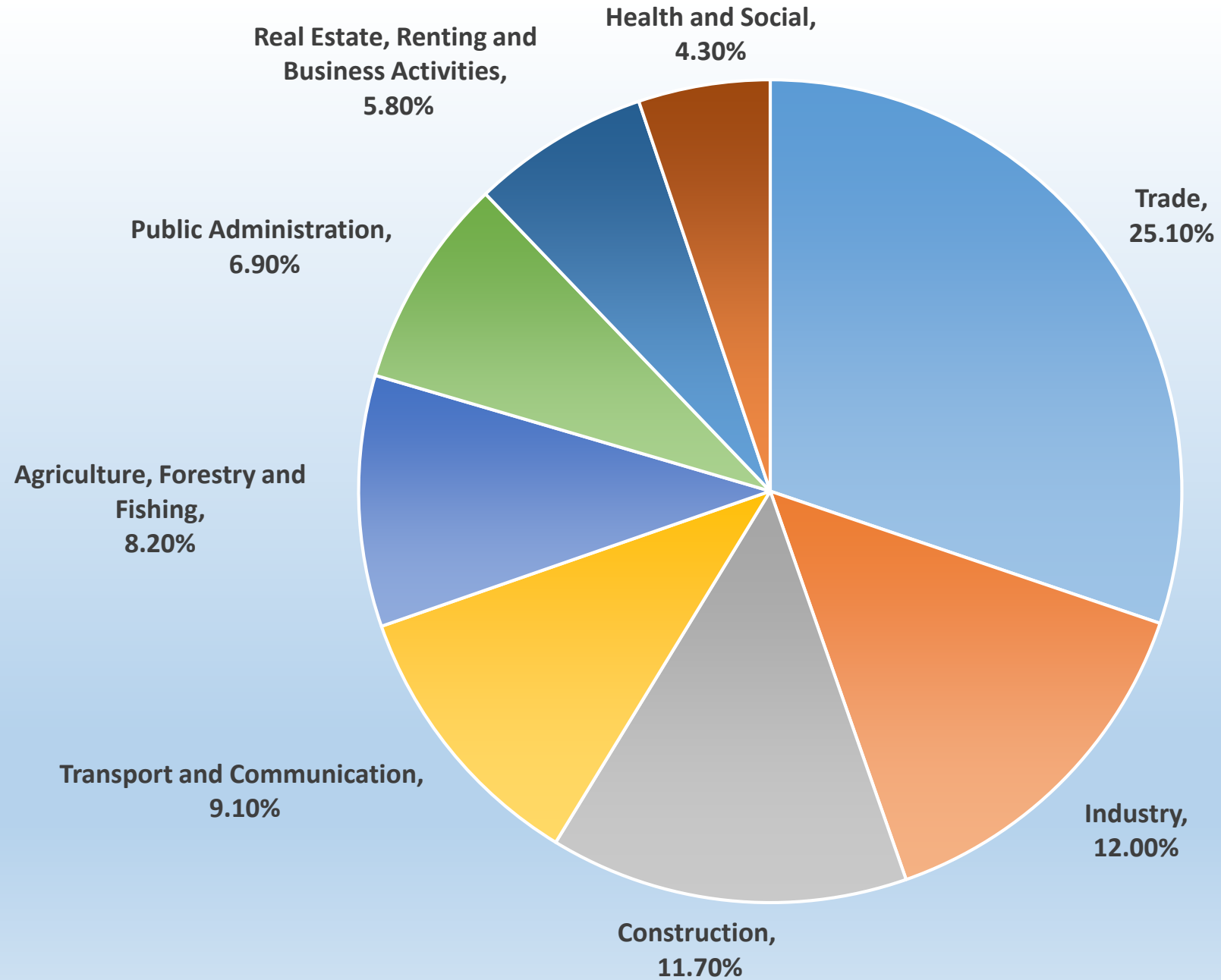
- In 2015-2016 changes in the geographical structure of exports and imports of agricultural goods continued

- In 2016, the export volume of agricultural goods was 694,8 million USD and import volume - 1,06 billion USD

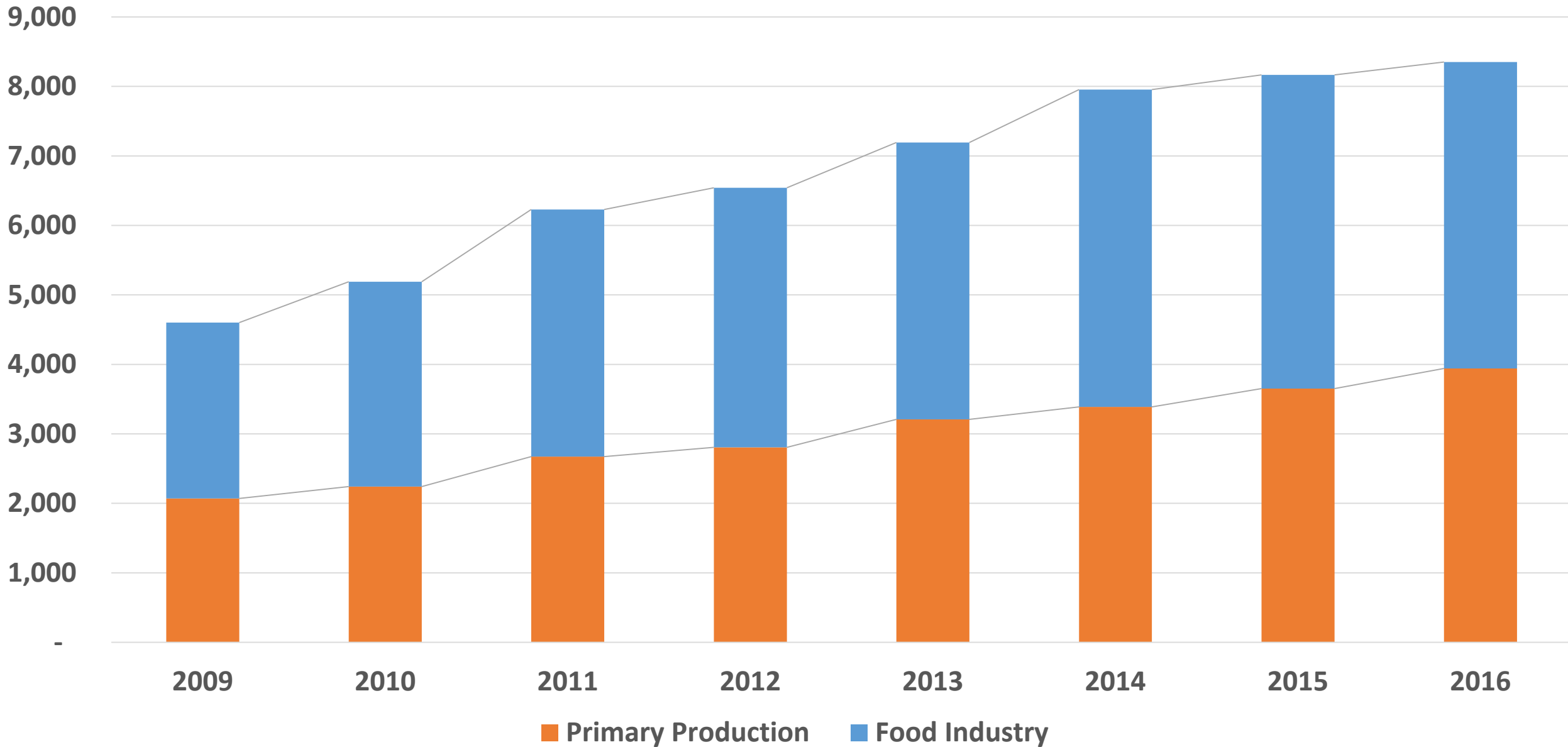
- In 2016 export volume of agricultural goods grew by 13,4%, and import volume reduced by 4%

- The main export partners are the Russian Federation, Ukraine, Azerbaijan, Germany, Italy, Kazakhstan, China, Turkey and Iraq

# Agricultural share in GDP



# Dynamics of Agribusiness Production (in mln, GEL)



# Agricultural trade policy measures

## Export Policy

- **There are no export tariffs applied to the agricultural product exports from Georgia.**
- **Georgia exercises no quantitative limitations and quotas on the export of Georgian agricultural products**
- **Georgia does not provide export subsidies, and does not have export financing instruments.**
- **Export support is mainly in the form of facilitating the participation of exporters in international trade fairs and planning buyer missions.**

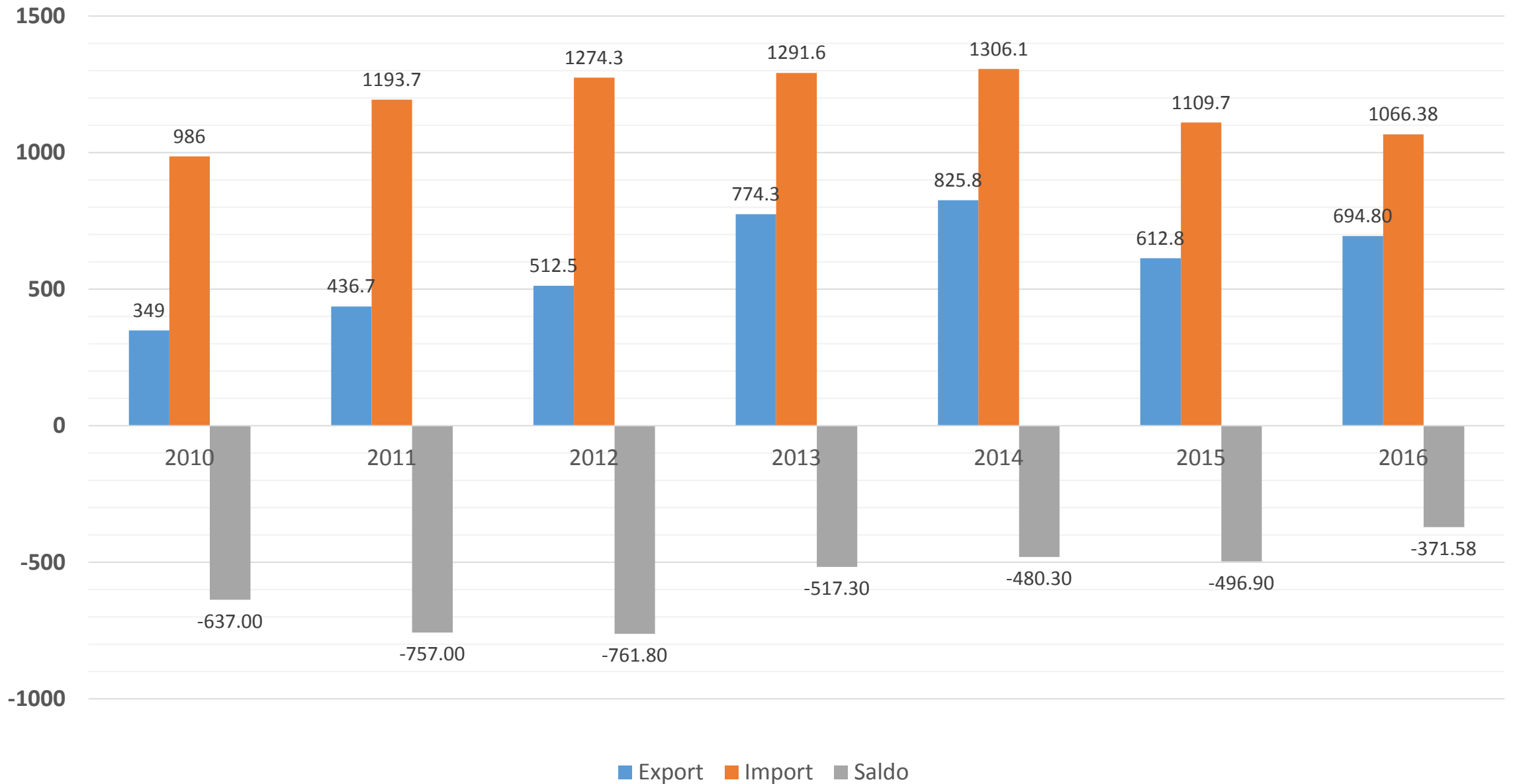
# Agricultural trade policy measures

## Import Policy

- **The main instrument regulating the foreign trade of Georgia is the Tax code**
- **“The food Products/Animal Feed Safety, Veterinary and Plant Protection Code of Georgia” is applied to production, conversion/processing and distribution of plant and animal origin products.**
- **Georgia’s applied tariffs fall into three bands: 0%, 5%, and 12%.**
- **By 2015 the simple average MFN tariffs equal 2,0% and 6.7% for all goods and agricultural goods respectively.**
- **Georgia exercises no quantitative limitations and quotas on the import of agricultural products.**
- **Georgia doesn't apply the tariff quotas on agricultural products**

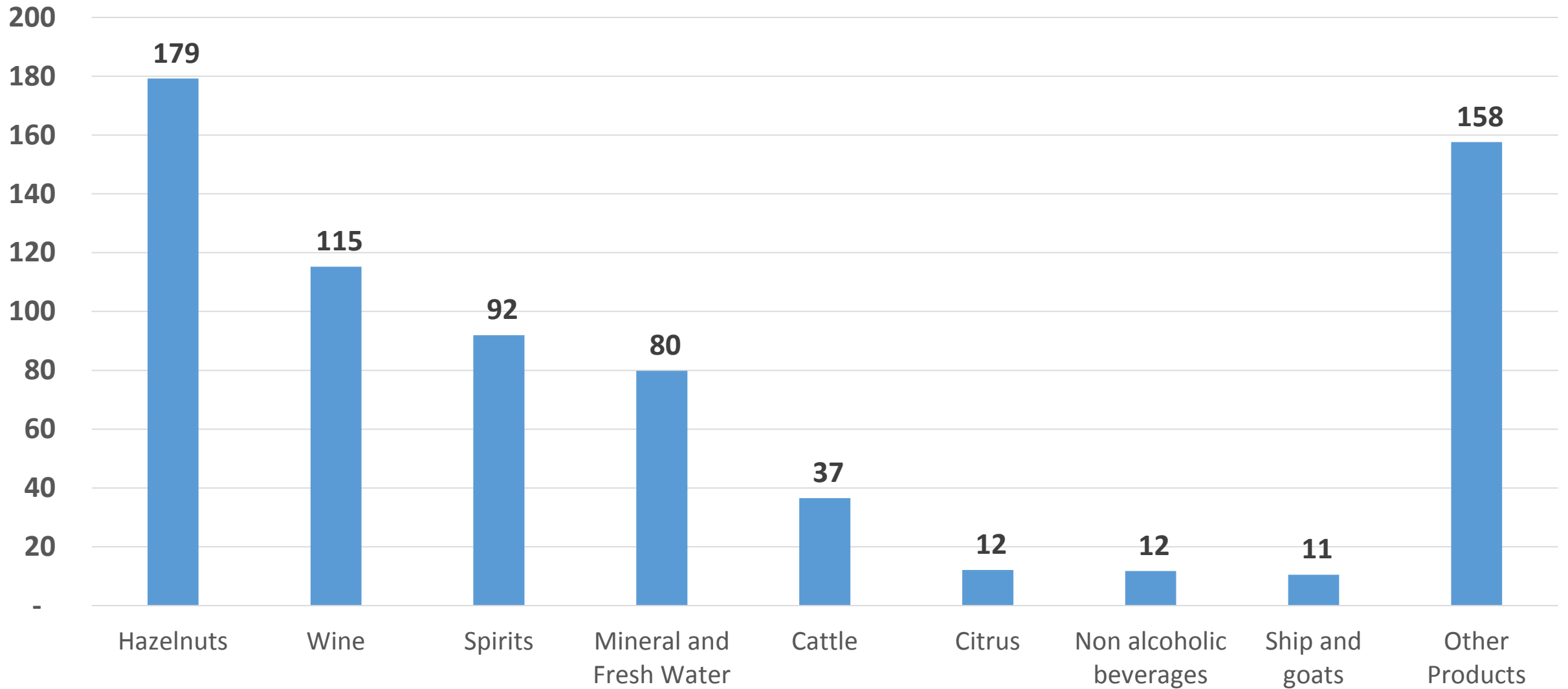


# Export/Import of Agricultural Products (million.USD)



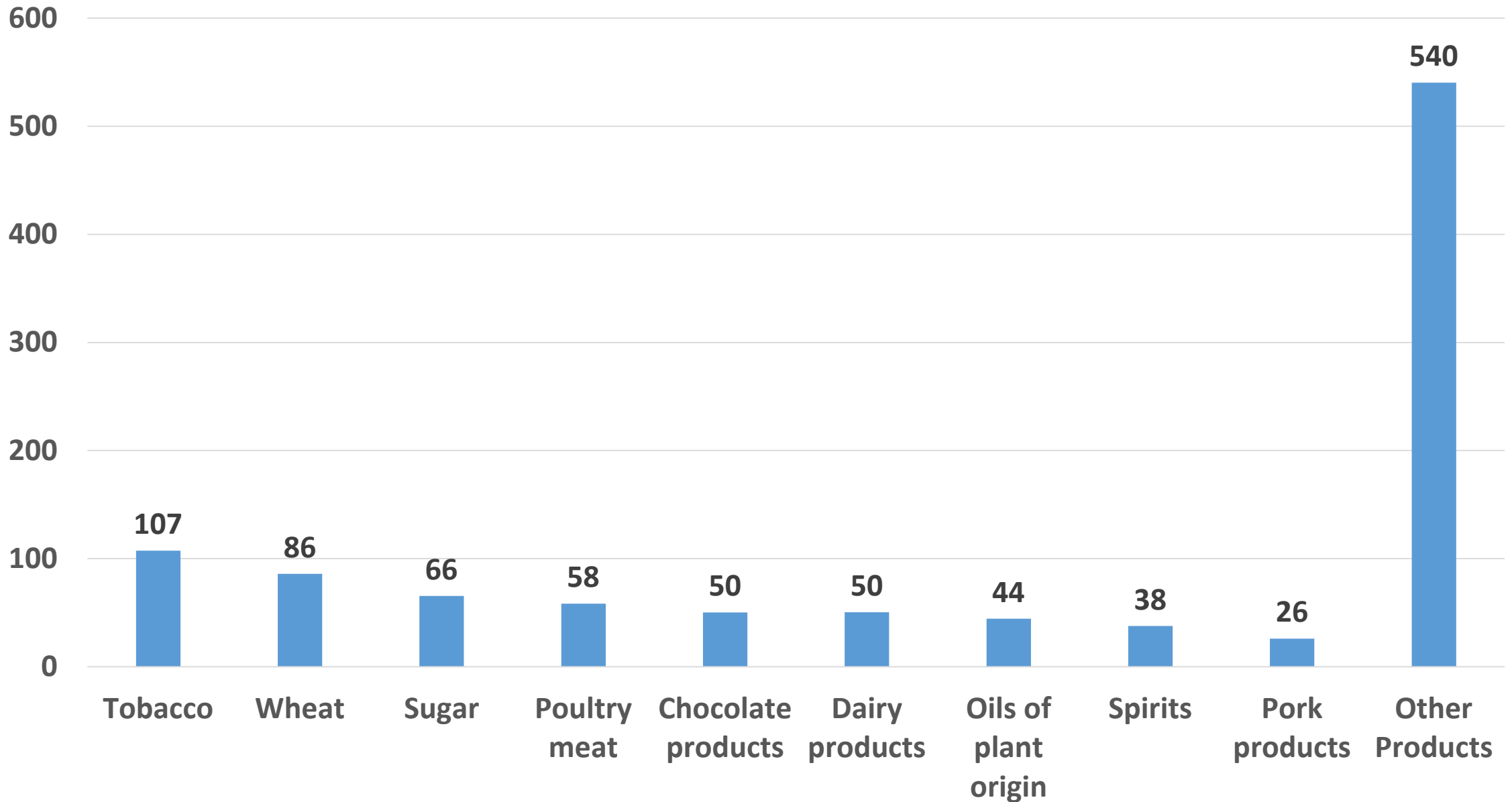
# Key Products in Export of Food Products in 2016

(In mln, USD )



# Key Products in Import of Food Products in 2016

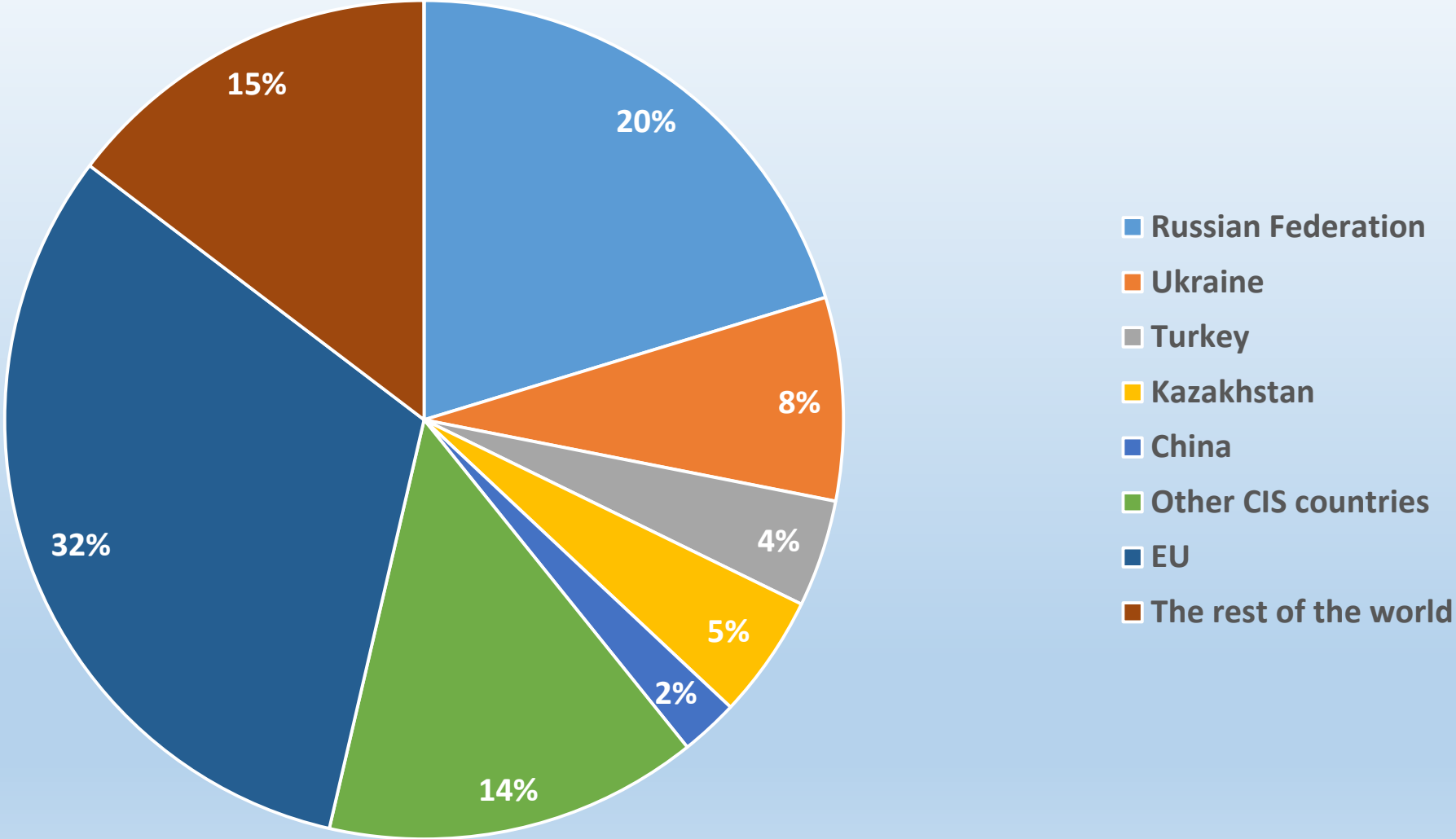
(In mln, USD )



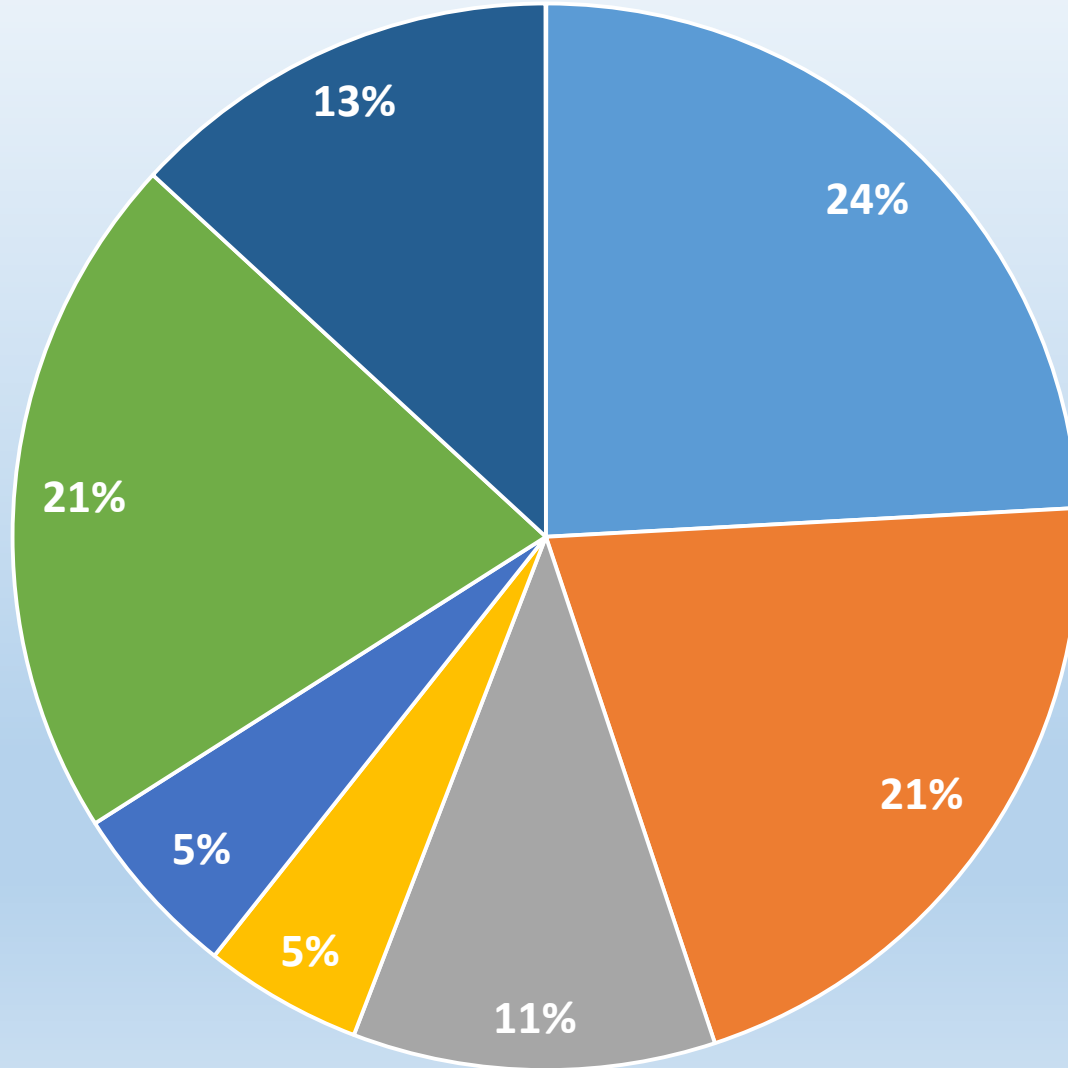
# Bilateral and multilateral trade agreements

- **Since June 14, 2000 Georgia is a member of the World Trade Organization (WTO)**
- **In 2014, Georgia and the EU signed an Association Agreement (AA), including an agreement on the Deep and Comprehensive Free Trade Area (DCFTA)**
- **On June 27th , 2016 Georgia signed a free trade agreement with the EFTA (European Free Trade Association)**
- **On May 13<sup>th</sup>, 2017, Georgia signed free trade agreement with China.**
- **In April 2017 negotiations regarding free trade agreement with India started.**
- **According to the Free-trade agreement (Free Trade Agreement - FTA) with the CIS member countries, all agricultural goods imported from 11 countries are free from import duties.**
- **The agreement about free trade (FTA) with Turkey provides trade privileges for many groups of imported goods, with the reduced duty or duty free.**
- **Georgia has trade preferences granted in the Generalized System of Preferences (GSPs) with a number of major trading partners such as the US, Canada, Switzerland, Norway and Japan**

# Export Trade Partners in 2016



# Import Trade Partners in 2016



- Russian Federation
- Ukraine
- Turkey
- Brasil
- Other CIS countries
- EU

# The main measures of domestic support of agriculture

- Program of the agricultural researches
- Program of a Laboratory Research of Wine – In the framework of this program inspection of companies was conducted
- Program for epizootic safety and identification/registration of animals– Monitoring of slaughterhouses, preventive vaccinations and researches to reveal animal diseases

# The main measures of domestic support of agriculture

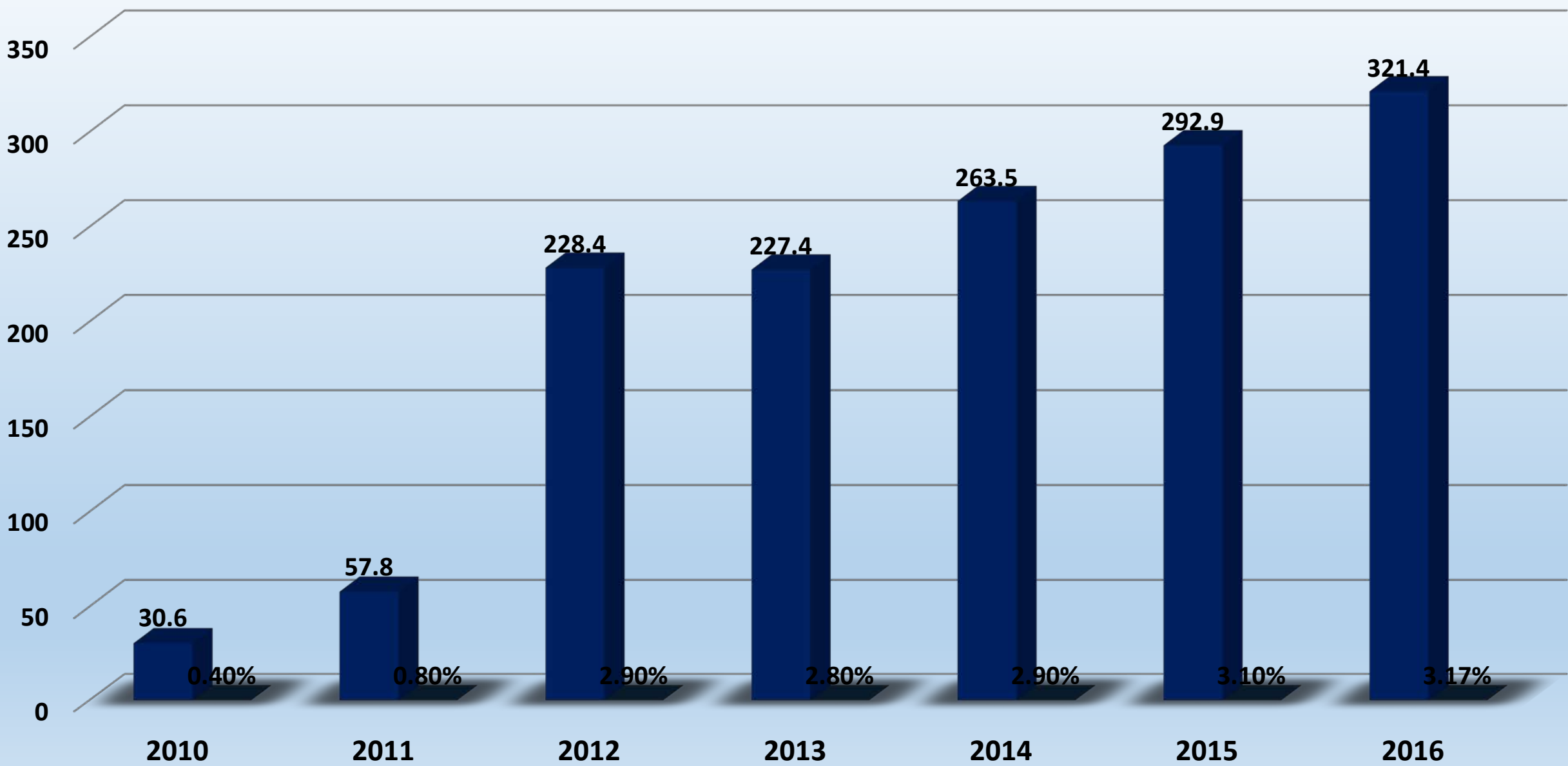
- Program of phytosanitary safety and protection of plants – measures to prevent mass distribution of dangerous and quarantine pests
- Program of promoting of the Georgian agricultural items, wine items and winemaking
- Program of modernization of ameliorative systems – design and reconstruction of irrigation and drainage systems was financed



# The main measures of domestic support of agriculture

- Program of preferential agricultural loan
- Plant The Future - subsidies for creating modern, intensive perennial gardens
- Program of agricultural insurance
- Co-financing of Agro Processing and Storage Enterprises
- Produce in Georgia
- Georgian Tea Plantation Rehabilitation Program

# Dynamics of Budgetary Allocations of Ministry of Agriculture (In mln, GEL)



# Institutional Support to Export

- Ministry of Economy and Sustainable Development of Georgia is coordinating activities for export promotion
- “Enterprise Georgia” - legal entity of public law under the Ministry of Economy of Georgia was established by uniting several agencies including Entrepreneurship Development Agency, Georgian National Investment Agency, programmes “Produce in Georgia” and “Film in Georgia”
- Through "Enterprise Georgia“, Ministry of Economy and Sustainable Development is implementing budgetary support for export promotion

# Institutional Support to Export

- “Enterprise Georgia” provides access to information regarding Georgian export-oriented companies operating in various industries
- Organization provides trade consulting services through its service center and export consultants
- “Enterprise Georgia” is organizing trade missions
- Agency publishes calendar of international trade fairs and provides budgetary support to Georgian companies for participating in them
- “Enterprise Georgia” participates in preparation of various sector studies with focus on export potential of value-added products

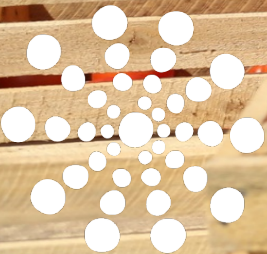
# Institutional Support to Export

- In order to promote Georgian companies globally, increase volume of exported products and services, and to make it easier for international companies to establish contact with them in case of interest, Agency is developing a trade portal and online export catalogue
- Agency is closely cooperating with Enterprise Europe Network, which unites 600 companies from 67 countries, with the aim of promoting Georgian products on EU market

# Institutional Support to Export

- Ministry of Agriculture supports Georgian producers in promoting their products on international and local trade fairs. It closely cooperates with Georgian Chamber of Commerce, as well as with various associations with the aim of promoting export.
- National Wine Agency is a legal entity of public law under the Ministry of Agriculture of Georgia. One of the main responsibilities of the Agency is marketing and promotion of Georgian wine on export markets.

# Thank you!



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