

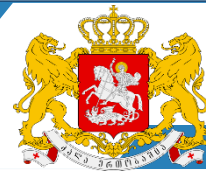


## Georgia's Free Trade Agreements



- **Tariff policy on imports** – **80% of commodities free of import tax.** 3 types of import **tariff rates** – **0%, 5% and 12%.** Only alcoholic beverages and automobiles are subject to specific import tariff.
- **Tariff policy on export** - export or re-export from Georgia is free of customs duties.
- **Indirect taxes** – the rates of value added tax and excise tax is equal for local and imported products.
- **Licenses and permits** – there are no non-tariff restrictions (licensing, quotas, prohibitions and others) in foreign trade unless necessary to protect health, safety and environment.

# Georgia's Free Trade Agreements



## Potential FTAs

Republic of Korea –EPA ongoing negotiations

FTA Feasibility Study between Georgia and India

FTA Feasibility Study between Georgia and Israel

# Steps for the conclusion of FTA



The research to identify the potential FTA countries

Consultations with potential FTA country

Feasibility study on Free Trade Agreement

Decision on starting FTA negotiations

Terms of reference for negotiations

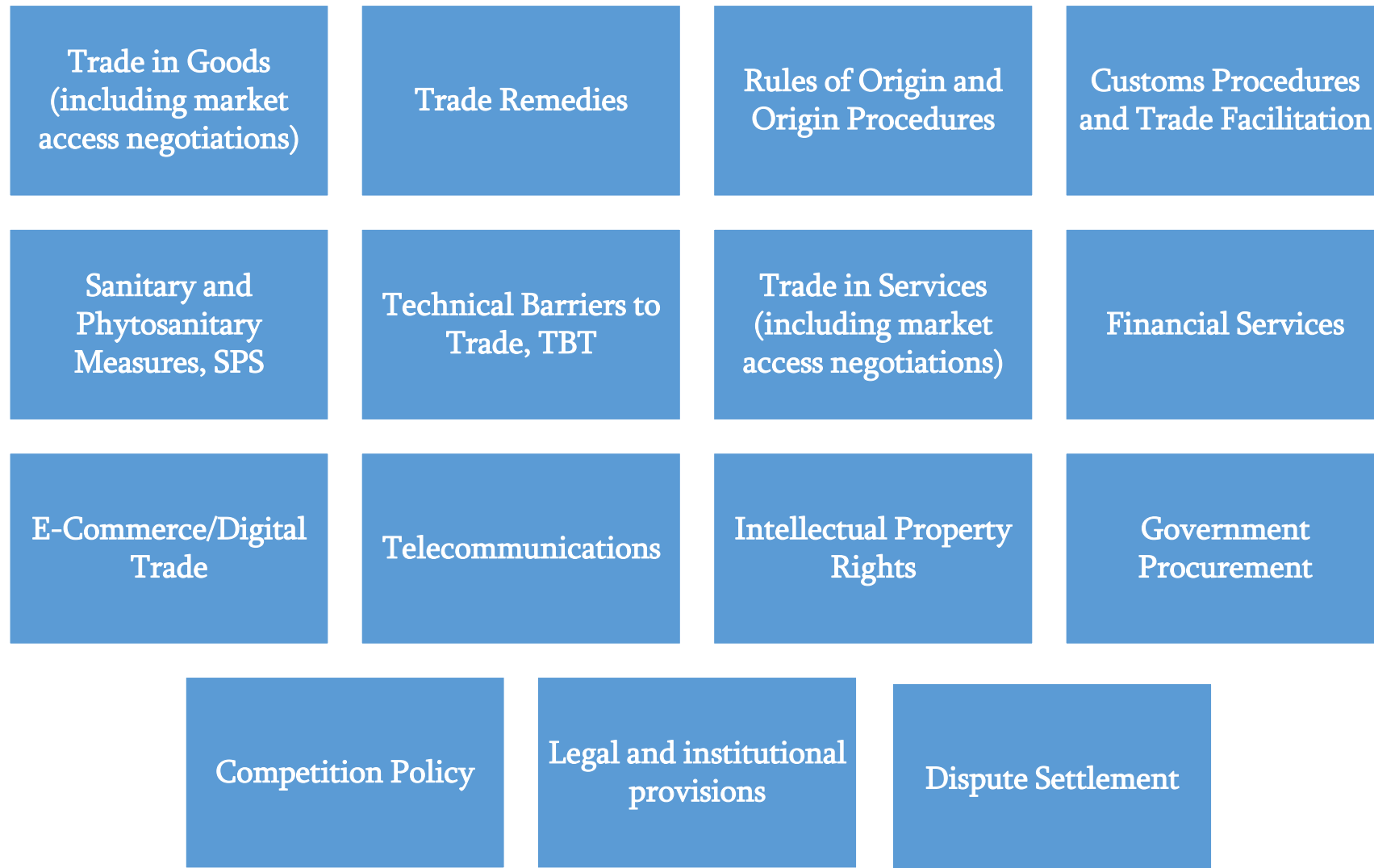
Creation of a negotiating team with the participation of all relevant agencies

Conducting negotiations and legal scrubbing of the final text

Signing the Agreement

Procedures for the entry into force of the Agreement

# New Generation FTA Architecture





Since 15 April 1994 Georgia is the contracting party of the Multilateral Agreement on the Creation of the Free Trade Zone of the Commonwealth of Independent States (CIS)

- Georgia enjoys 8 bilateral FTAs with Azerbaijan, Turkmenistan, Armenia, Ukraine, Kazakhstan, Moldova, Uzbekistan and Russia.
- FTAs envisages **Full trade liberalization** – 0% import tariffs on the full list of products
- The **exceptions** from the free trade regime is active only **with Russia**:
- *Georgia maintains import tariffs on two types of ethyl alcohol, tobacco and beer*
- *Russia maintains import tariffs on two types of ethyl alcohol, tobacco and sugar*



Since November 2008  
Georgia enjoys free trade  
with the Republic of  
Türkiye

- **Full liberalization on industrial products**
- **Georgia** maintained tariffs on 1.8% of total tariff lines
- **Republic of Türkiye** maintained tariffs on 15% of all tariff lines (from where 5% of products are subject to quotas)
- **In 2021 FTA amendments** envisages further liberalization of trade in goods and inclusion of trade in services chapter



Georgia-EU Deep and  
Comprehensive Free Trade  
Area (DCFTA) entered into  
force on September 1, 2014

## Georgia

Full liberalization of trade in goods

## EU

Full liberalization of trade in goods except garlic (the quota of 300 tons)

In addition:

- "Entry Price - Ad valorem free" - 28 types of agricultural products (0.3% of total products)
- Anti-circumvention mechanism - 277 types of agricultural and food processing products (3% of total products)





Georgia-EFTA FTA is in force  
since 1 May 2018

## Full liberalization on industrial products

For agricultural products, bilateral liberalization schemes were signed with each EFTA states (Switzerland, Lichtenstein, Norway and Iceland)

- **Georgia** maintained tariffs on 4.3% of goods
- **Switzerland & Lichtenstein** maintained tariffs on 1.7% of goods
  
- **Georgia** maintained tariffs on 5.6% of goods
- **Norway** maintained tariffs on 7% of goods
  
- **Georgia** maintained tariffs on 10% of goods
- **Iceland** maintained tariffs on 7.5% of goods



Georgia-China FTA is in force  
since January 1, 2018

**Georgia** maintained tariffs on 4% of goods

**China** maintained tariffs on 10% of goods,  
out of which 4% was subject to gradual  
elimination (5 years transitional period)



Georgia-Hong Kong FTA is in  
force since 13 February, 2019

**Hong-Kong** granted Full Liberalization

**Georgia** maintained tariffs on 3.4% of the  
total tariff lines



The Comprehensive Economic  
Partnership Agreement (CEPA)  
will be in force since June 27,  
2024

**Georgia** maintained tariffs on 4.8% of goods

**United Arab Emirates** maintained tariffs on 6.5%  
of goods, out of which 4% is subject to gradual  
elimination (3-5 years transitional period)



## Ministry of Economy and Sustainable Development of Georgia

Thank you