

Strategic Decisions to Increase Georgian Export Potential (Trade in Goods)

Giorgi Gaganidze

Professor, Doctor of Economics, Head of the Department of Management in a Global Environment, Tbilisi State University, Tbilisi, Georgia

Abstract

Throughout the entire period of Georgian independence, every Government of Georgia (GoG) has attempted to create an export-friendly environment. These efforts resulted in the establishment of a highly liberal trade regime characterized by zero export taxes, transparent export procedures, and relatively low administrative costs. Georgia is a member of the World Trade Organization (WTO) and enjoys a Free Trade Agreement (FTA) with the European Union, covering the entire European Economic Area, including the member states of the European Free Trade Association (EFTA). Georgia also has FTAs with China, Turkey, and CIS member states, and benefits from the Generalized System of Preferences (GSP) with the United States, Canada, and Japan.

Nevertheless, Georgia continues to experience a chronically negative trade balance in goods. Recent figures are presented below.

Table 1. Georgian Exports, Imports, and Trade Balance (thousand USD)

	Export	Import	Balance
2020	2,554,547	6,143,548	-3,588,911
2021	3,292,376	7,697,303	-4,405,927
2022	3,887,489	10,038,186	-6,150,697
2023	3,043,750	10,982,642	-7,938,892
2024	3,194,208	13,072,085	-9,877,877
2025	3,603,713	13,452,542	-9,848,829

Source: ITC – www.intracen.org

The maximum liberalization of trade regimes alone could not create the basis for sustainable export growth. Further trade liberalization should continue and most likely expand to include the Gulf Cooperation Council (GCC) member states. At the same time, practical steps should be taken to improve the quality of Georgian export products and transform them into higher value-added goods.

Keywords

Export product groups, export structure, new export products.