

**Trade Policy Review of Georgia
(First Session on 12 January 2022)**

Statement by Hong Kong, China

- Thank you, Chair.
- I would start by extending a warm welcome to the Georgian delegation led by Mr Genadi ARVELADZE, Deputy Minister of the Ministry of Economy and Sustainable Development. I would also like to thank Ambassador Simon MANLEY of the United Kingdom for sharing with us his insights as the Discussant, and the Secretariat for preparing the comprehensive reports for this review.
- Hong Kong, China and Georgia have maintained close and cordial bilateral trade relations. The bilateral merchandise trade between our two economies amounted to US\$30.7 million in 2020. We value Georgia as an important trading partner and would endeavour to ensure that our bilateral trade ties will continue to prosper.
- Hong Kong, China signed a Free Trade Agreement (FTA) with Georgia in June 2018, which entered into force in February 2019. The FTA is comprehensive in scope and smooth in implementation. It has brought about more favourable market access for goods and services, and further enhanced the trade and investment flows between Hong Kong, China and Georgia.
- Turning now to Georgia's trade policies, we have the following observations. .
- First, on **trade and investment policies**. We are pleased to note that Georgia's economic growth has been largely positive over the last decade and there has been a demonstrated commitment to open markets and further integration into regional and world markets. As a result of these developments and the increase in per capita income, Georgia reached the status of upper-middle income country in 2016.
- We commend Georgia for its economic achievement so far and encourage Georgia to continue to pursue its economic policy agenda with focus on free market principles and trade liberalisation.
- On **trade facilitation**, we are pleased to note Georgia's dedicated efforts in digitalising, modernising and simplifying its customs procedures and formalities through the adoption of a new customs code and other legal instruments to facilitate trade during the review period.

- Georgia has also developed an Authorised Economic Operator programme and enhanced cooperation between businesses and customs authorities. We commend Georgia's continued efforts in facilitating trade.
- Georgia ratified the Agreement on Trade Facilitation (TFA) in 2016 with 92% of the TFA obligations implemented at the time of ratification. We are glad to note that Georgia has completed the full implementation of TFA in September 2019 and duly submitted all transparency notifications.
- Turning to **tariffs**. We are pleased to note that the tariff system and structure of Georgia remain largely liberal and simple. It is commendable that Georgia has bound all of its tariff lines, with an average bound rate of 7.4%. There is also an increase in duty-free tariff lines percentage from 79.6% in 2015 to 81.3% in 2021 in addition to reduction in non-ad valorem tariffs from 4.5% to 2.5% during the same period. We commend Georgia for having the fourth-lowest MFN applied tariff (average applied MFN tariff remained at 2%) among WTO Members and the seventh-largest share of duty-free lines in 2020 according to WTO statistics. We look forward to Georgia's continued efforts in liberalising its tariff regime.
- On **standards and other technical requirements**, we note that Georgia's rules and procedures of accreditation have been updated recently to incorporate modifications of international standards. We appreciate Georgia's efforts in harmonising domestic rules with international standards to facilitate trade.
- The Secretariat Report underscores that the **sanitary and phytosanitary requirements** and the situation in Georgia improved in recent years. We hope Georgia would continue its efforts in aligning its SPS-related legislation with international norms to facilitate trade.
- Chair, Hong Kong, China looks forward to continuing our close economic cooperation with Georgia, especially in its pursuit of liberalisation in trade in services. We wish Georgia a successful trade policy review.
- Thank you very much.

Hong Kong Economic and Trade Office in Geneva
January 2022