



Georgia: Market Profile

Major Economic Indicators

	2015	2016	2017**
Population (000)	3,720	3,701 [#]	3,694
GDP (US\$ bn)	13.996	14.222	13.723
Real growth (%)	2.9	2.7	3.5
GDP per capita (US\$)	3,762	3,842 [#]	3,715
Inflation – CPI index	4.0%	2.1%	5.7%
Unemployment rate	12.0%	N.A.	N.A.
Exports (US\$ bn)	2.205	2.114	N.A.
YoY growth (%)	-22.9	-4.1	N.A.
Imports (US\$ bn)	7.281	7.236	N.A.
YoY growth (%)	-15.4	-0.6	N.A.
Average exchange rate (Lari per US\$)	2.270	2.367	2.494 ^{###}

Note: # estimate, ## Jan-Jul 2017, ** forecast
Source: IMF, WTO, National Bank of Georgia

- Georgia sits at the eastern part of the Black Sea on the southern flanks of the Greater Caucasus Mountains. To the north and northeast lies Russia, Azerbaijan to the east and southeast; to its south is Armenia and Turkey, and to the west is the Black Sea.
- As a logistics and transshipment corridor to the Caucasus and Central Asia, the Georgian logistics economy is highly transit-oriented: around 60% of all types of overland international freight throughput are in transit. Aside from infrastructure upgrades at major seaports such as Batumi and Poti, several planned projects, as well as the construction of a deep-sea port at Anaklia to accommodate larger vessels, are poised to strengthen the country's logistical importance.
- Thanks to its liberal trade regime, Georgia has signed free trade agreements with many of its neighbours such as Ukraine, Belarus, Azerbaijan, Armenia, Russia, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan and Turkey. In addition it has concluded the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. Georgia also enjoys lower tariffs on 3,400 goods exported to the US, Norway, Switzerland, Canada and Japan under the General Schemes of Preference (GSP).
- Georgia is traditionally an agricultural country. With 22 microclimates ranging from cool and dry to warm and humid, and a longer-than-normal harvest season, the country has been renowned as a quality food supplier since Soviet times. It is still well recognised as a healthy and supreme quality brand in the region.



- To encourage foreign investment in tourism, industry and agriculture, the Georgian government has currently two Free Tourism Zones (Anaklia and Kobuleti), two Free Industrial Zones in Poti (sea port) and Kutaisi (the second largest city) and two new projects managed by the Agriculture Projects Management Agency (APMA) to support agriculture development in Georgia. Under these schemes, the Government of Georgia offers interested investors unprecedented terms with respect to taxation and land use. More information can be found at the [Georgian National Investment Agency](#).
- The inflows of foreign direct investment (FDI) to Georgia amounted to US\$1.6 billion in 2015, with China contributing US\$44 million. As of the end of 2015, China's total stock of FDI to Georgia exceeded US\$533 million, up from US\$32 million in 2006. Investment from Hong Kong, however, is far from significant.

Hong Kong's Trade with Georgia

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	33.581	-12.2	33.452	-0.4	17.520	+23.4
Domestic exports	0.797	+153.6	0.965	+21.1	1.558	+220.3
Re-exports	32.784	-13.6	32.487	-0.9	15.962	+16.4
Imports	3.000	+12.1	3.667	+22.2	1.201	-56.7
Total Trade	36.581	-10.6	37.119	+1.5	18.722	+10.3

Source: Hong Kong Trade Statistics, Census & Statistics Department

More Information

More information on the Belt and Road countries' economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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