

Akhvlediani, Tinatin; Havlik, Peter

Research Report

Georgia's Economic Performance: Bright Spots and Remaining Challenges

Policy Notes and Reports, No. 29

Provided in Cooperation with:

The Vienna Institute for International Economic Studies (wiiw) - Wiener Institut für Internationale Wirtschaftsvergleiche (wiiw)

Suggested Citation: Akhvlediani, Tinatin; Havlik, Peter (2019) : Georgia's Economic Performance: Bright Spots and Remaining Challenges, Policy Notes and Reports, No. 29, The Vienna Institute for International Economic Studies (wiiw), Vienna

This Version is available at:

<https://hdl.handle.net/10419/204272>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Georgia's Economic Performance: Bright Spots and Remaining Challenges

Tinatin Akhvlediani and Peter Havlik



P

Georgia's Economic Performance: Bright Spots and Remaining Challenges

TINATIN AKHVLEDIANI
PETER HAVLIK

Tinatin Akhvlediani is an academic assistant at the College of Europe and a PhD candidate in Economics at the University of Warsaw. Peter Havlik is Economist at the Vienna Institute for International Economic Studies (wiiw).

Executive summary

Georgia has long been one of the most trade-open economies in the world. It joined WTO in 2000 and currently has a free trade agreement with the EU and EFTA, as well as with Turkey, the CIS and China. Georgia has been also one of the most business-friendly transition economies. The basic objectives of Georgia's trade policy are integration, liberalisation, diversification and transparency. The Association Agreement (AA) with the EU signed in June 2014 and in force since July 2016 lays the foundations for far-reaching Georgian political and economic cooperation with the EU and serves as a backbone for reforms. The Deep and Comprehensive Free Trade Area (DCFTA) agreement that represents a part of AA envisages a gradual implementation of reforms in areas such as trade, environment, agriculture, tourism, energy, transport and education with the aim to bring Georgia in line with EU standards. The DCFTA sets a path for further reforms in trade-related policies, such as hygiene standards for agriculture products (SPS), the approximation of regulations for industrial products (TBT), enforcement of intellectual property rights at the border, rules on public procurement and approximation to EU rules in the services area. However, there is no prospect for EU membership in the Agreement.

Georgia has been suffering from chronic goods trade and current account deficits; the export base has been very narrow. Foreign trade has been regionally focused on its neighbouring partners. Russia is the largest export market, ahead of Azerbaijan, Armenia, Turkey and China. Among the EU countries, the biggest markets for Georgian exports are Bulgaria and Romania. Exports are highly concentrated and there has not been much export diversification yet. The key exports to the EU include copper ores (39% of the total), nuts, nitrogen fertilisers and mineral oils. The DCFTA apparently has not had much positive effect on Georgian exports to the EU so far, despite some spectacular increases by individual products.

Rather than in goods exports, Georgia has a competitive advantage in services, especially in tourism and transit transport. Georgia has been also relatively successful in attracting foreign direct investment (FDI): cumulated inward FDI stocks amounted to about EUR 4,000 per capita as of mid-2018. A development strategy combining existing competitive advantages of tourism with domestic agriculture (using the excellent domestic wine and delicious local food), supported by structural reforms in the agricultural sector and targeted FDI policies, could be a viable option to foster inclusive economic growth and mitigate external vulnerabilities.

Keywords: Georgia, foreign trade, foreign direct investment, economic integration

JEL classification: E6, F13, P33, O24, O52

CONTENTS

Georgia's recent economic performance	1
Trade and competition policies.....	5
EU Association Agreement and DCFTA.....	6
Trade openness and external vulnerability	8
Merchandise exports.....	10
Merchandise imports.....	12
Trade in services.....	13
Foreign direct investment (FDI).....	14
Conclusions.....	15
Annex.....	17

TABLES AND FIGURES

Table 1 / Georgia: Main characteristics of the external sector	9
Figure 1 / Component contributions to nominal GDP, year-on-year growth, percentage points	1
Figure 2 / FDI inflows, USD thousand	3
Figure 3 / Employment and unemployment rates, in %	4
Figure 4 / Georgia's foreign trade by regions, 2013-2018, EUR million	9
Figure 5 / Georgia's top 10 export partners, 2017, EUR million	10
Figure 6 / Georgia's top 10 export commodities, 2017, EUR million	11
Figure 7 / Georgia's top 10 exports to the EU, 2017, EUR million	11
Figure 8 / Georgia's top 10 import partners, 2017, EUR million	12
Figure 9 / Top 10 imports to Georgia, 2017, EUR million	13
Figure 10 / Georgia's top 10 imports from the EU, 2017, EUR million*)	13
Figure 11 / Georgia: Net contributions of main services to the current account, EUR million	14
Figure 12 / Georgia: Inward FDI stocks by main partners	15

Annex

Table A.1 / Balance of payments of Georgia, EUR thousand	18
Figure A.1 / Georgia's key export commodities, 2007-2018, USD million	17

Georgia's Economic Performance: Bright Spots and Remaining Challenges

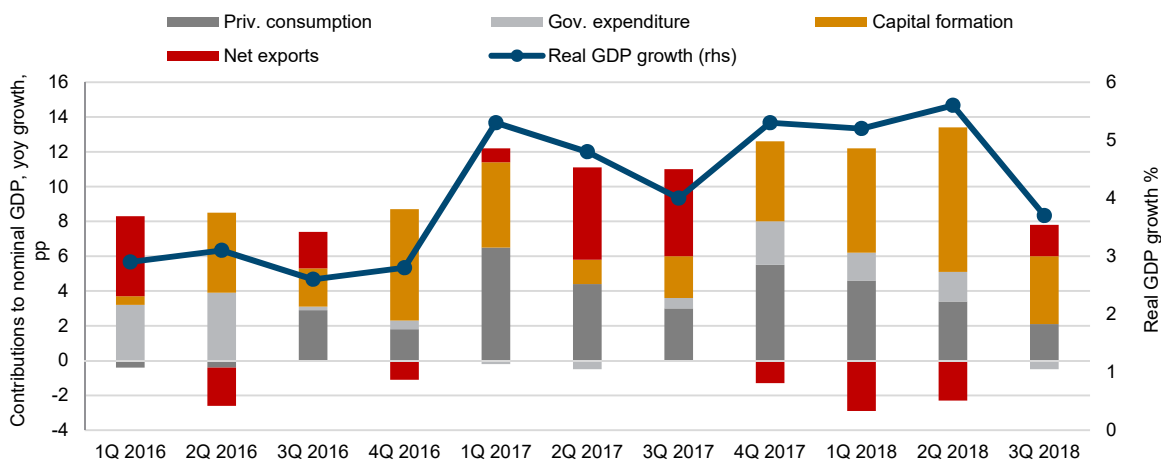
GEORGIA'S RECENT ECONOMIC PERFORMANCE¹

Georgia is a small open economy, sensitive to external shocks and political tensions in the neighbourhood. The country pursues trade liberalisation, offers a tax-friendly environment to foreign investors and is committed to the costly and challenging path of integration with the EU.

Robust GDP growth continues

According to the latest data², the contribution to nominal GDP growth mainly comes from capital formation, followed by private consumption and government expenditures (Figure 1). It is worth noting that for the past two years growth in government expenditures (10.9% year on year) was twice as high as that of private consumption (4.6% year on year). This can be partly explained by the devaluation of the Georgian lari, resulting in a sharp rise in external debt service. The contribution of net exports (both goods and services) was negative, albeit increasing recently. The average growth in exports during 2015-2017 was increasing thanks to the newly established AA/DCFTA with the EU and a boost in tourism revenues. Growth of real GDP has a positive trend as well, rising from 2.9% in 2015 to 4.8% in 2017. Data for the first three quarters of 2018 indicate that GDP growth may remain close to 5% for the year as a whole.

Figure 1 / Component contributions to nominal GDP, year-on-year growth, percentage points



Source: National Statistics Office of Georgia (Geostat) and National Bank of Georgia (NBG).

¹ This chapter was written by Tinatin Akhvlediani.

² All figures are based on data sourced from the National Statistics Office of Georgia (Geostat) and the National Bank of Georgia (NBG).

In the first half of 2019, we can expect an increase in real GDP growth of up to 5% thanks to higher savings induced by the recently launched pension system reforms, as well as by higher investment and private spending stimulated by a looser monetary policy. FDI inflows in the construction of the Anaklia Deep Sea Port are also expected to boost GDP growth in 2019. Moreover, the newly established free trade deals with China and its administrative region Hong Kong could also increase net exports' contribution to real GDP growth. Finally, the establishment of the Black Sea–Caspian Sea Freight Transport Corridor in March 2019 is also promising a further stimulus to FDI and exports in the second half of 2019 and thereafter.

Exchange rate and looser monetary policies

External shocks to the Georgian economy mainly bring pressure on the national currency, and have pass-through effects on inflation. In the past three years, inflation was mostly fuelled by rising prices of imports as the Georgian lari has been devaluing. In order to tackle this issue, the National Bank of Georgia (NBG) pursued a contractionary monetary policy by increasing interest rates and by lowering the inflation target from 4% to 3% in 2018. However, both CPI and PPI still remain volatile mainly due to administered price increases of utilities. For instance, compared to 2010, the CPI has increased by nearly 30%, and the PPI by 50%. The higher increase in the PPI could be explained by rising prices of imports of raw materials as well as due to devaluation of the lari. According to the latest report of the National Statistics Office of Georgia, inflation in the first two months of 2019 was mostly driven by increased prices of tobacco and alcoholic beverages.

Interest rates on deposits denominated in local currency are quite low, fluctuating slightly around 6% (interest rate on stock of deposits) and do not encourage savings. On the other hand, interest rates on loans in the local currency exceed 16% and distort the borrowing capacity of businesses, especially of SMEs. Overall, total business loans demonstrate a slightly downward trend due to a decrease in retail loans. However, there was an increase in business loans in the last quarter of 2018. This could signal an improvement in financing business investment. To further stimulate borrowing and investments, the NBG has loosened its monetary policy since January 2019. More recently, in March 2019, it decreased the refinancing rate by 25 basis points and the policy rate now is at 6.5%. Having in mind that the inflation rate remained stable over the past three months, the recently loosened monetary policy should stimulate the economy without having a direct and immediate pass-through effect on inflation within the next few months.

External sector flourishes³

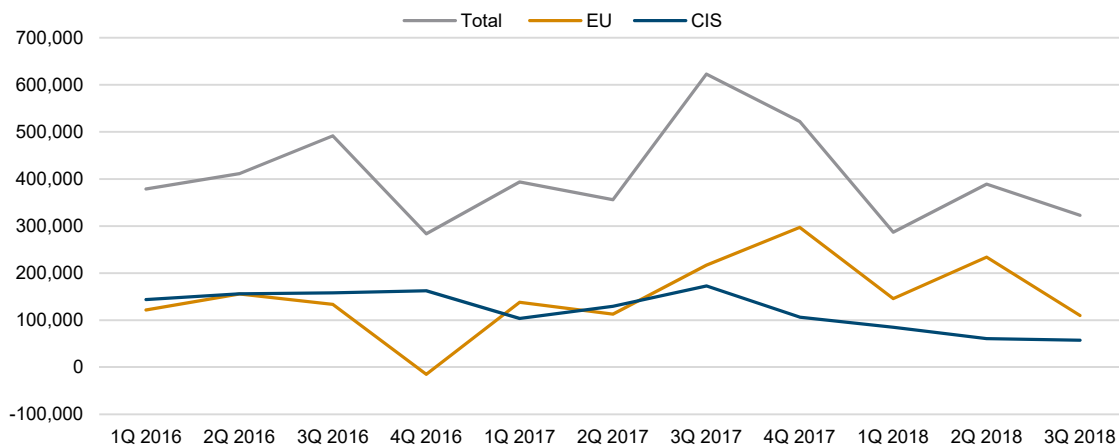
Georgia's current account deficit slightly improved in 2018 thanks to growing exports (including exports of tourism services) and remittances. Remarkably, in 2018 Georgia welcomed 8.3 million tourists and collected USD 3.2 billion from exporting tourism services. Since Georgian labour migration is quite high, remittances also make a significant contribution to the economy. Remittances from the EU are the highest, followed by remittances from the United States, Turkey and Russia. It is worth noting that in the EU, Georgians mainly work in the southern countries, such as Greece, Italy and Spain. This explains the high cyclicality in inflows of remittances, especially in 2015–2016 due to the Greek debt crisis, and Italy's economic recession. In 2019, the potential increase in goods exports thanks to new trade deals, growing

³ For more details see the contribution by P. Havlik on foreign trade.

tourism and expected FDI inflows should at least keep the current account deficit at the same level or even improve the current state.

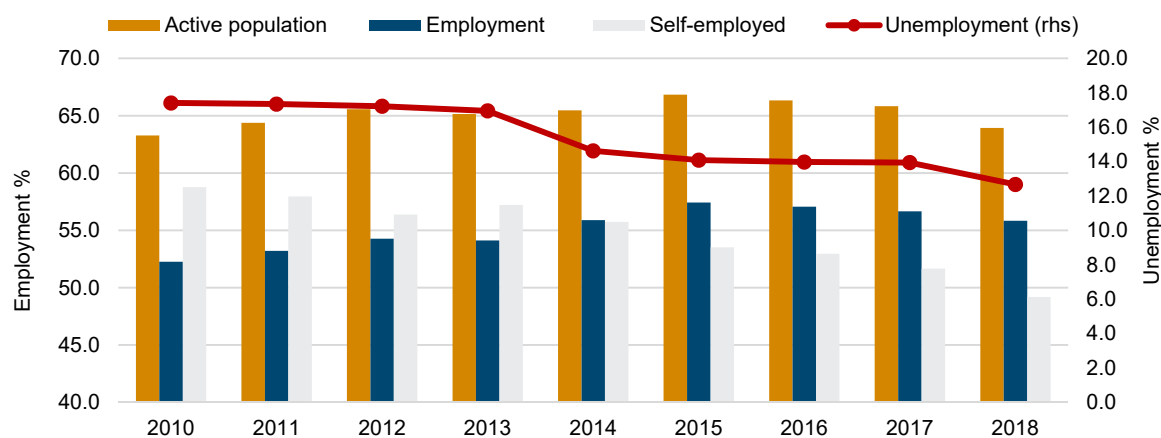
As for goods exports, there has been a sharp increase in exports of wines recently. In January and February 2019, Georgia exported 12.2 million bottles of wine to 32 countries. Out of the total, more than 8.5 million bottles were shipped to Russia, nearly one million to Ukraine and the rest mainly to Poland, China and Kazakhstan. Exports to the EU are growing as well owing to the DCFTA. Trade flows with China should grow in the upcoming months as trade deals with China (effective since 2018) and its administrative region Hong Kong (effective since 2019) should yield trade enhancing effects. The FTA with China, unlike the DCFTA with the EU, does not require any legislative approximation and Georgian exports to China should start growing soon.

Figure 2 / FDI inflows, USD thousand



Source: National Statistics Office of Georgia (Geostat) and National Bank of Georgia (NBG).

In terms of attracting FDI, Georgia's international ratings remain promising. In the World Bank's Ease of Doing Business indicators, Georgia maintains its status among the top performing countries and ranks 6th out of 190 countries in 2019. On the European scale, according to the latest report published by the European Chamber, the country ranks as the 16th best European country for doing business in 2019. Georgia's status was also upgraded from 'BB-' to 'BB' in Fitch's ranking in 2019 (March release). Recently, the largest inflows of FDI went to the transport sector (around 25%), followed by the financial and the construction sectors. FDI is also high in the real estate and energy sectors. As for the countries of origin, FDI from the EU are growing fast and exceed inflows from the CIS (Figure 2). The slowdown in FDI by the end of 2018 was caused by the completion of several large infrastructure projects. In 2019, one can expect a recovery in FDI inflows thanks to the second phase of construction of the Anaklia Deep Sea Port and the planned construction, and rehabilitation of safety, of roads (roads located on the Trans-European Transport (TEN-T) Network) by engagement of the European Investment Bank. Chinese interests in Georgia in the context of the Belt and Road Initiative and the recently concluded FTA are also expected to stimulate FDI in 2019. So far two Chinese companies have already invested in two strategically most significant Georgian ports: the Poti Free Industrial Zone (adjacent to the Poti Sea Port) and the Anaklia Deep Sea Port.

Figure 3 / Employment and unemployment rates, in %

Source: National Statistics Office of Georgia (Geostat) and National Bank of Georgia (NBG).

Labour market fragile

In response to intensified trade flows, growing FDI and the expanding tourism sector, the unemployment rate has been slowly decreasing over the past years, falling from 17.4% in 2010 to 12.7% in 2018 (Figure 3). Nonetheless, unemployment is still high for Georgia's 3.7 million population. Overall, due to the low birth rate, an ageing population and to migration, only 65% of the Georgian population are economically active. Employment hardly covers 56% of the active population and out of all employed people, nearly half (43%) are self-employed (mostly in small-scale trade and subsistence agriculture). Unemployment among the youth is very high (29.6% for the age group 20-24 and 20.8% for the age group 25-29), and Georgia suffers from brain drain and scarcity of high-skilled workers. Overall, in 2002-2017 approximately 1.4 million Georgians left the country, of which about 20% were young with higher education according to a 2018 study by the NGO 'Society and Banks', Ilia University Financial Education Centre.

Employment in the business sector showed an increasing trend in the past few years. In the fourth quarter of 2018, 25.7% of new jobs were created by trade, 13.1% by manufacturing and 10.6% by construction business sectors. 10.2% of employment was sourced from human health and social work activities thanks to a growing number of NGOs. The rest came from transportation, storage, accommodation and food services (13.6%) owing to the rapidly increasing tourism in the country. Out of all employees in business sector, the majority (42.2%) work for small businesses, 36.2% of employees for large businesses and the remaining 21.6% for medium-sized businesses. Average monthly salaries are the highest in medium-sized businesses (about USD 566/EUR 500) followed by large enterprises (about USD 482/EUR 426) and small businesses (about USD 461/EUR 408). One of the main problems in business sector employment is that there is a very high concentration of jobs in the capital – the majority of people in the business sector work in Tbilisi.

As for self-employed people, they mostly work in the self-subsistence agricultural sector. Owning only small plots of land and without access to proper equipment, infrastructure and an insurance system, it is difficult for small-scale land owners to reach efficiency in production and benefit from economies of scale

(as well as from the DCFTA). Nevertheless, launching the United Agro Project as an umbrella project to issue cheap loans and to develop an insurance system should give a boost to the agricultural sector. In 2018, the state allocated GEL (Georgian lari) 9 million (USD 3.8 million/EUR 3.1 million) to support small-scale farmers' spring works. The results of the newly launched insurance programme should be apparent already in 2019.

Overall, thanks to the expected increase in FDI and trade flows, the development of large infrastructure projects and the state support to the agricultural sector, unemployment should decrease in 2019. However, to ensure that recent graduates find jobs and highly educated workforce does not leave the country, structural reforms of the labour market will be needed.

TRADE AND COMPETITION POLICIES⁴

Georgia has long been one of the most liberal and trade-open economies in the world. It has unilaterally liberalised both its exports and imports, eliminating most tariffs and other regulations, already in the early 2000s. It applied for WTO membership in 1996 and became a **WTO member in June 2000** –just four years after starting negotiations. Further major trade liberalisation steps have been undertaken since 2006. Georgia grants MFN treatment to all WTO members and, until end-2016, enjoyed a transition to GSP+ trade preferences on more than 7,000 of its export products in trade with the European Union.⁵ As a reaction to the August 2008 war with Russia, **Georgia terminated its membership in the CIS organisation in 2009, but has maintained bilateral free trade agreements (FTAs) with eight CIS countries** (including with Russia). It also has a **FTA with Turkey and EFTA**; the **Georgia-China Free Trade Agreement** was concluded in 2017.⁶ According to WTO, Georgia has bound its tariffs on all products, the simple average applied MFN tariff remains low at 2% since 2010, despite being increased slightly from 1.6% in 2009.⁷ The simple average MFN tariff for agricultural products (WTO definition) fell from 7.2% in 2009 to 6.7% in 2015, and that for non-agricultural products increased from 0.2% to 0.8% in the same period. Georgia does not apply contingency measures and has not elaborated relevant legislation for such measures. There are **minimal export restrictions** in terms of export taxes or licensing. **Georgia does not provide export subsidies**, and does not have any export financing instruments.

Based on EU recommendations in the framework of preparations for the DCFTA, a **Comprehensive Strategy of Competition Policy** was adopted by the Georgian government in December 2010. In May 2012, Georgia adopted the **Law on Free Trade and Competition**, which was further amended in 2014 in the course of DCFTA adoption.⁸ The **Law on Competition** was developed as part of the anti-monopoly reform with the aim to strengthen the institutional framework for promoting free trade and

⁴ This and the following chapters were written by Peter Havlik.

⁵ However, only a small number of Georgian export products qualified – see <http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>.

⁶ <https://www.reuters.com/article/us-georgia-cis/georgia-quits-ex-soviet-group-as-moscow-allies-rebel-idUSTR57H34T20090818>. In 2011, after Georgia gave green light to Russia's WTO membership, trade relations improved – see <https://old.civil.ge/eng/article.php?id=24158>. However, the Russian-Georgian transit trade deal itself, with transit trade with Abkhazia and South Ossetia being monitored by the Swiss company SGS in a confidential contract manner, was signed only in 2017 (Georgia) and 2018 (Russia), respectively – <https://www.crisisgroup.org/europe-central-asia/caucasus/georgia/249-abkhazia-and-south-ossetia-time-talk-trade>.

⁷ https://www.wto.org/english/tratop_e/tpr_e/s328_sum_e.pdf.

⁸ https://www.wto.org/english/tratop_e/tpr_e/q328_e.pdf.

competition. The government has set up a **Competition Agency** which oversees most economic sectors except for energy and telecoms. In April 2014, a legal entity of public law, the **Competition Agency of Georgia**, was established as an independent body.

Georgia has been also one of the most business-friendly transition economies. According to the latest Doing Business Survey (from October 2018) conducted regularly by the World Bank, the country **ranked 6th** out of 190 surveyed countries on the **Ease of Doing Business**.⁹ In this and other rankings, Georgia performs much better than other regional peers and DCFTA countries (Azerbaijan: 25, Russia: 31, Armenia: 41, Belarus: 37, Turkey: 43, Moldova: 47, Ukraine: 71). However, the outstanding doing business ranking does not provide a full picture of the country's competitiveness. In fact, Georgia has just **a few competitive export products**, and even those face considerable hurdles on the EU market owing to quality and other problems (non-tariff measures, NTM such as TBT and SPS – see below).¹⁰

The basic objectives of **Georgia's trade policy** were defined by the government in 2015 as follows:¹¹

- › **Integration into the world economy**, including the implementation of WTO membership obligations and obligations under other international agreements;
- › **Trade policy liberalisation**, including simplification of export and import procedures and tariff and non-tariff regulation;
- › **Diversification of trade relations** by establishing preferential regimes with main trade and regional partner countries;
- › **Enhancement of transparency** in the policy-making process.

EU ASSOCIATION AGREEMENT AND DCFTA

As an outcome of the EU's European Neighbourhood Policy, the EU and Georgia signed an **Association Agreement (AA)** in 2014. This Agreement lays the foundations for far-reaching **Georgian political and economic cooperation with the EU** and serves as a **backbone for domestic reforms**. The ambition for Georgia includes ever increasing EU democracy and the rule of law, respect for human rights, good governance and fostering economic development. The AA institutional framework establishes bodies such as the **Association Council** to oversee the AA implementation, with the **Association Agenda** defining priority areas necessary for its implementation. According to the review of the European Neighbourhood Policy (ENP) from 2017, the EU remains committed to its **political association and economic integration with Georgia**.¹²

⁹ <http://www.doingbusiness.org/en/reports/regional-reports>.

¹⁰ Other competitiveness indicators place Georgia in the middle of countries' rankings –see, for example, the World Economic Forum Global Competitiveness Index 2018 (no. 66) or the Bertelsmann Transformation Index (no. 42). See: <http://reports.weforum.org/global-competitiveness-report-2018/competitiveness-rankings/>; <https://www.bti-project.org/de/daten/>.

¹¹ https://www.wto.org/english/tratop_e/tpr_e/q328_e.pdf.

¹² See https://eeas.europa.eu/diplomatic-network/european-neighbourhood-policy-enp/26371/report-implementation-european-neighbourhood-policy-review_en; <http://ec.europa.eu/trade/policy/countries-and-regions/countries/georgia/>.

As part of the EU-Georgia Association Agreement, Georgia concluded negotiations with the EU on the **Deep and Comprehensive Free Trade Agreement (DCFTA)** in July 2013. The Agreement envisages gradual improvements needed in areas such as **trade, environment, agriculture, tourism, energy, transport, and education** to bring Georgia in line with EU standards. The DCFTA provisionally came into force on 1 September 2014, enabling Georgia to export duty-free to the EU (under the Generalised System of Preferences, GSP+, Georgia already enjoyed low or zero tariffs for two thirds of its exports to the EU). However, certain **restrictions on Georgian export products** remain; one agricultural product, garlic, will be duty-free but subject to a tariff rate quota. The DCFTA promises to enhance Georgia's **trade prospects and to boost economic growth** by bringing its legislation closer to that of the EU. It will also **gradually remove the existing barriers to trade of goods and services**. The DCFTA covers trade in goods, provides for further opening of the services market and improvement of establishment conditions for investors. It contains provisions on the facilitation of customs procedures, on anti-fraud measures and trade defence instruments. A bilateral dispute settlement procedure is envisaged to solve issues in an expeditious manner.

The DCFTA also sets the path for further **reforms in trade-related policies**, such as **hygiene standards for agricultural products**, the approximation of **regulations for industrial products**, enforcement of intellectual property rights at the border, rules on **public procurement**¹³ and approximation to **EU rules in the services area**. Moreover, Georgian products will have to meet certain **EU requirements not only for export, but also when consumed within the country** (as elsewhere in the EU, SPS hygiene rules do not apply to production for private consumption or to small quantities supplied to local markets).¹⁴ This marks the beginning of a lengthy process to improve **sanitary and phytosanitary standards**, intellectual property rights protection, competition, technical **regulations on industrial products**, and customs and trade facilitation; this process will involve not only benefits, but also short- to medium-term costs.¹⁵

The Government has elaborated a DCFTA implementation action plan and prioritised its various technical assistance needs in the framework of implementing the DCFTA Action Plan 2014-2017. Georgia's needs in terms of funding, training and capacity building relate in particular to:

- › increasing the **diversification** of Georgia's export structure;
- › meeting new **implementation challenges** in the areas of **standards and SPS** measures;
- › developing capacity in **customs and trade facilitation**;
- › improving know-how in **rules of origin**;
- › elaborating **e-commerce legislation** and a platform for trade in services;

¹³ The State Procurement Agency (SPA) was established already in 2012. SPA runs a well-equipped training centre that trains both public officials and private entrepreneurs in procurement matters – see www.procurement.gov.ge.

¹⁴ Some Georgian officials complain that strict EC regulations impair Georgian competitiveness and distract foreign investors (author's interviews with stakeholders in Tbilisi, January 2019).

¹⁵ For more on DFTA costs and benefits see A. Adarov and P. Havlik (2017), 'Challenges of DCFTA: How Can Georgia, Moldova and Ukraine Succeed?'. wiiw and Bertelsmann Stiftung, <https://wiiw.ac.at/challenges-of-dcfatas-how-can-georgia-moldova-and-ukraine-succeed--n-230.html>.

› meeting the challenges in the areas of **public procurement, IPR protection and competition**.¹⁶

Apart from the EU, a number of other international and bilateral donors (the IMF, World Bank, EBRD, USAID, Germany, Austria, the Czech Republic, France, Italy, Sweden, USA, etc.) provide technical and financial assistance to Georgia.

The current framework for the **EU-Georgia relations** is embodied in the above-mentioned AA/DCFTA, which illustrates the deep mutual commitment based on shared values and interests in the areas of democracy and the rule of law, human rights and fundamental freedoms, good governance, economy and sustainable development. **AA/DCFTA has been provisionally applied since 1 September 2014 and fully entered into force on 1 July 2016.** The AA has also **geopolitical significance**: Georgia commits to an ambitious reform agenda with the aim of reaching political association and closer **economic integration with the EU**. However, there is **no prospect for EU membership in the Agreement**. **EU visa liberalisation** for Georgia – one of the most visible achievements of Georgia's association efforts – came into effect only in March 2017 (Georgia unilaterally abolished the visa requirement for EU citizens already a couple of years earlier). The EU as a trading block is already Georgia's main trading partner, traditionally achieving huge surpluses in merchandise trade (see below).

TRADE OPENNESS AND EXTERNAL VULNERABILITY

Georgia is a small, lower-middle income country with just 3.7 million inhabitants and a per capita GDP of slightly over 4,300 USD in 2018 (at exchange rate). The country has been suffering from **chronic goods trade and current account deficits** (Table 1). The goods trade deficit has been traditionally high – more than one third of GDP – and the **export base has been very narrow** (moreover, about one third of goods exports consist of re-exports according to data from the National Statistics Office of Georgia, Geostat). **Goods exports** (even including re-exports)¹⁷ **account for about 20% of GDP, goods imports for more than 55% of GDP** in 2018 (Table 1). Rather than in goods exports, Georgia has a **competitive advantage in services**, especially in **tourism and transit transport services** (the services balance has been increasingly positive, reaching a surplus of more than 12% of GDP in 2018 – see below). In addition to the positive contribution of services, the current account deficit has been mitigated also by **remittances** sent home by Georgians working in the European Union, Russia and Turkey (remittances and other transfers accounted for nearly 10% of GDP on average in the years 2015-2017 – about EUR 1 billion per year – according to the National Bank of Georgia).¹⁸

¹⁶ See https://www.wto.org/english/tratop_e/tpr_e/s328_e.pdf. For a recent comprehensive overview of DCFTA see https://www.ceps.eu/system/files/RLI_Georgia2_Master.pdf.

¹⁷ Re-exports accounted for more than one third of total exports in 2018 according to Geostat – see http://www.geostat.ge/index.php?action=page&p_id=134&lang=eng.

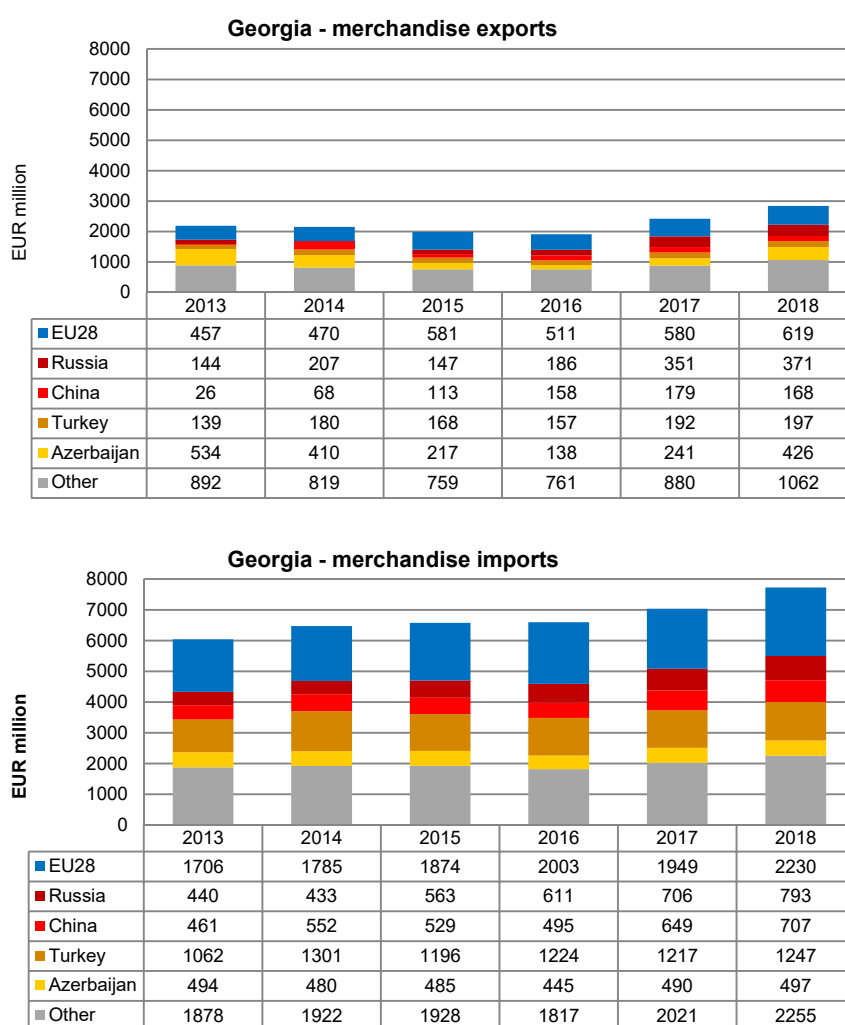
¹⁸ See <https://www.nbg.gov.ge/index.php?m=306&lng=eng>.

Table 1 / Georgia: Main characteristics of the external sector

	2013	2014	2015	2016	2017	2018*
GDP, USD million	16,140	16,508	13,988	14,378	15,087	16,207
GDP per capita, USD	4,341	4,438	3,755	3,857	4,047	4,345
Current account, USD million	-958	-1,790	-1,763	-1,889	-1,334	-1,364
Current account, in % of GDP	-5.94	-10.84	-12.60	-13.14	-8.84	-8.41
Merchandise trade balance, % GDP	-31.67	-34.78	-36.43	-36.04	-34.49	-36.18
Exports in GDP, %	18.03	17.33	15.76	14.70	18.13	20.10
Imports in GDP, %	-49.71	-52.11	-52.19	-50.73	-52.63	-56.28
Services balance, % GDP	8.67	7.79	9.94	10.88	13.35	12.01
Credit	18.35	18.29	21.92	22.92	26.35	24.84
Debit	-9.67	-10.50	-11.98	-12.04	-13.00	-12.83

* Preliminary

Source: Own calculations based on National Statistics Office of Georgia (Geostat) and National Bank of Georgia (NBG).

Figure 4 / Georgia's foreign trade by regions, 2013-2018, EUR million


Note: Year 2018 preliminary.

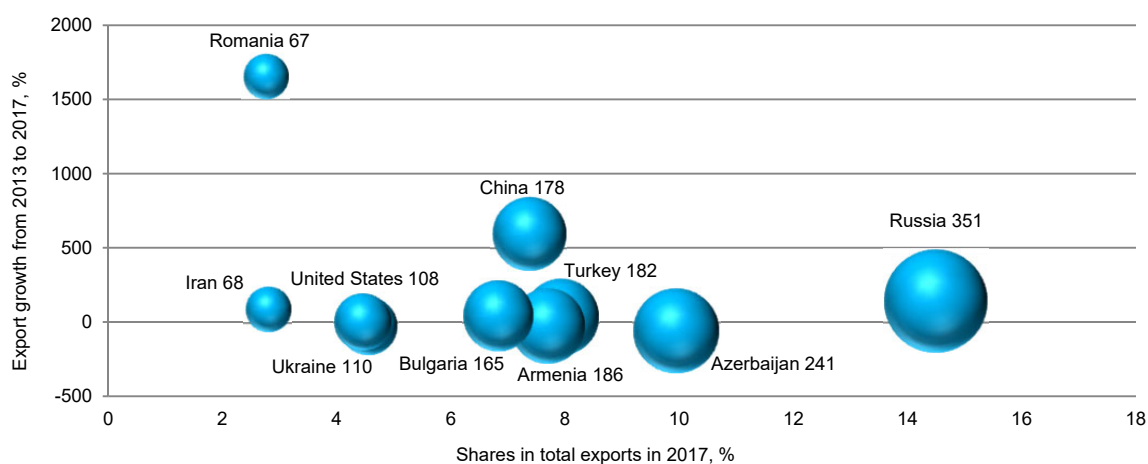
Source: Own calculations based on Geostat.

Overall, **foreign trade has been regionally focused on neighbouring partners** (Russia, Azerbaijan and Turkey – see below). However, the trade between the EU and Georgia has been growing steadily over the years and the EU as a block is nowadays Georgia's main trading partner (Figure 4). According to the latest data, the EU is the most important trade partner of Georgia with a **28% share in Georgian overall imports and 22% in exports in 2018**. Georgian exports to the EU increased by 27% between 2013 and 2017, yet exports to other countries grew by more than 50% in the same period.¹⁹ Preliminary figures show an increase in Georgian total exports by 17% in 2018; exports to the EU grew by 5%. The EU has been the biggest import trading partner for Georgia, yet imports from other countries have been much higher (61% of the total in 2018). Imports from the CIS countries, in particular from Russia, have been also much more dynamic: imports from the CIS countries increased by 25% between 2013 and 2017, imports from Russia even by 60%. Total Georgian imports rose by 16% in the period 2013-2017, and by another 8% in 2018. Imports from the EU grew by 12% in 2018. The overall trade deficit swelled to EUR 4.8 billion (of which EUR 1.6 billion with the EU) in 2018.

MERCHANDISE EXPORTS

Russia has become Georgia's largest export market again, ahead of **Azerbaijan, Armenia, Turkey and China** (Figure 5).²⁰ Among the EU countries, the biggest markets for Georgian exports are **Bulgaria and Romania** – the two countries sharing the Black Sea coast where bulky loads can be efficiently transported by ships (**copper ores and ferro-alloys**). The latter two export commodities represent the top two Georgian overall export positions, even before wine, spirits and mineral water. Georgian **exports are highly concentrated**: the top 10 export commodities accounted for 65% of overall exports in 2017 (Figure 6). However, the analysis of commodity export specialisation is distorted since Georgian export statistics include re-exports (indeed, exports of motor cars and medicaments most likely represent re-exports). There has not been much export diversification yet.

Figure 5 / Georgia's top 10 export partners, 2017, EUR million



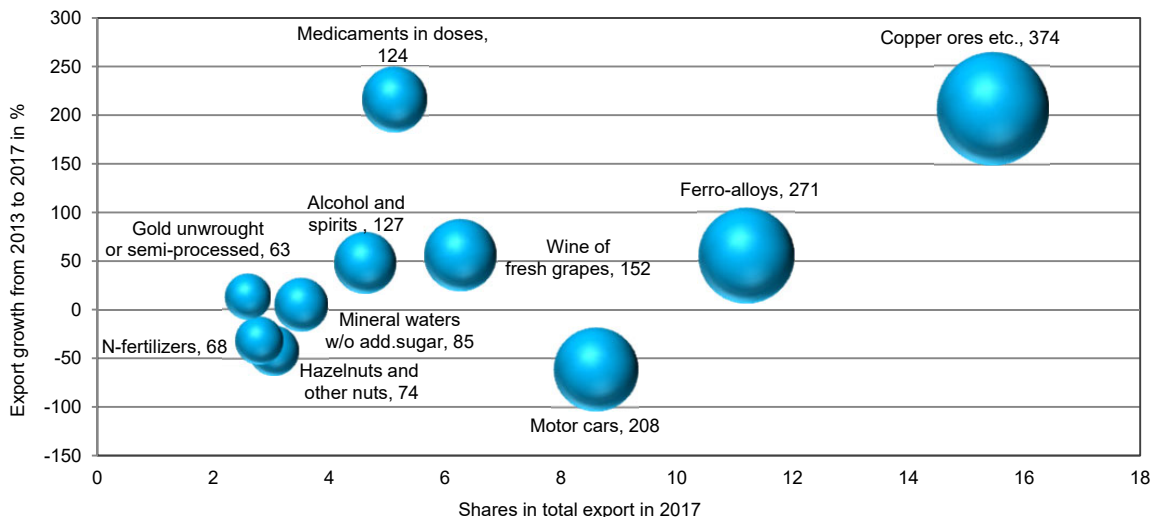
Note: Bubble size is proportional to the value of exports in 2017 (EUR million).

Source: Own calculations based on Geostat.

¹⁹ All growth rates calculated from EUR-based data. USD-based growth rates are lower owing to USD/EUR exchange rate fluctuations. For alternative, less detailed, trade figures see EC DG Trade, Units A4/G2. See: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/georgia/>.

²⁰ This and the following figures show, on the vertical scale, the shares of the key trading partners (commodities), and, on the horizontal scale, the increase in exports/imports between 2013 and 2017 (in current EUR terms). The bubble size corresponds to the value of exports/imports in 2017 in EUR million.

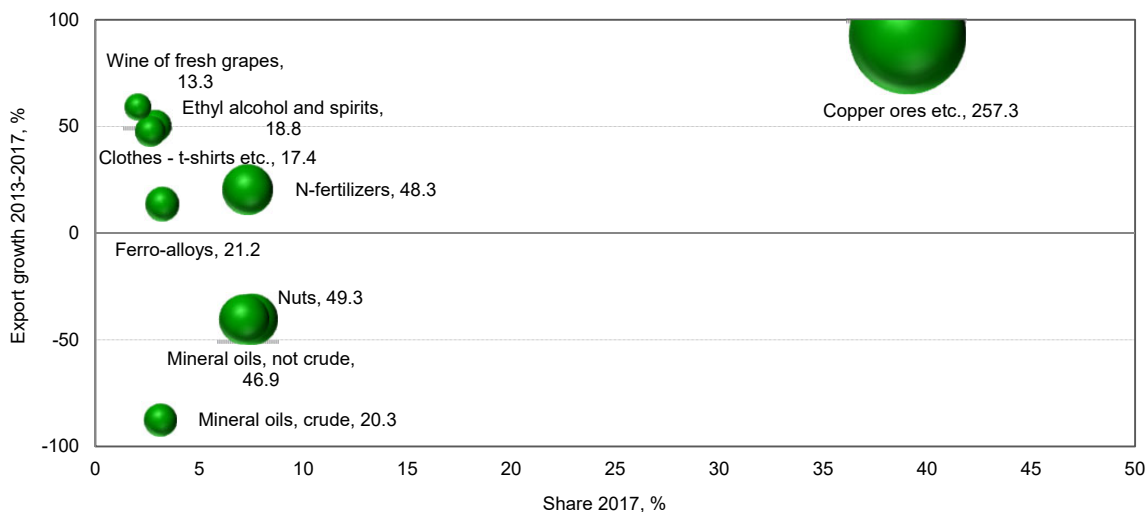
Figure 6 / Georgia's top 10 export commodities, 2017, EUR million



Note: Bubble size is proportional to value of exports in 2017 (EUR million). Product categories classified according to HS 4-digit classification.

Source: Own calculations based on Geostat.

Figure 7 / Georgia's top 10 exports to the EU, 2017, EUR million



Note: The size of the bubble is proportional to the value of Georgian exports of the product in 2017 (EUR million). Product categories classified according to HS 4-digit classification.

Source: Own calculations based on Eurostat Comext database.

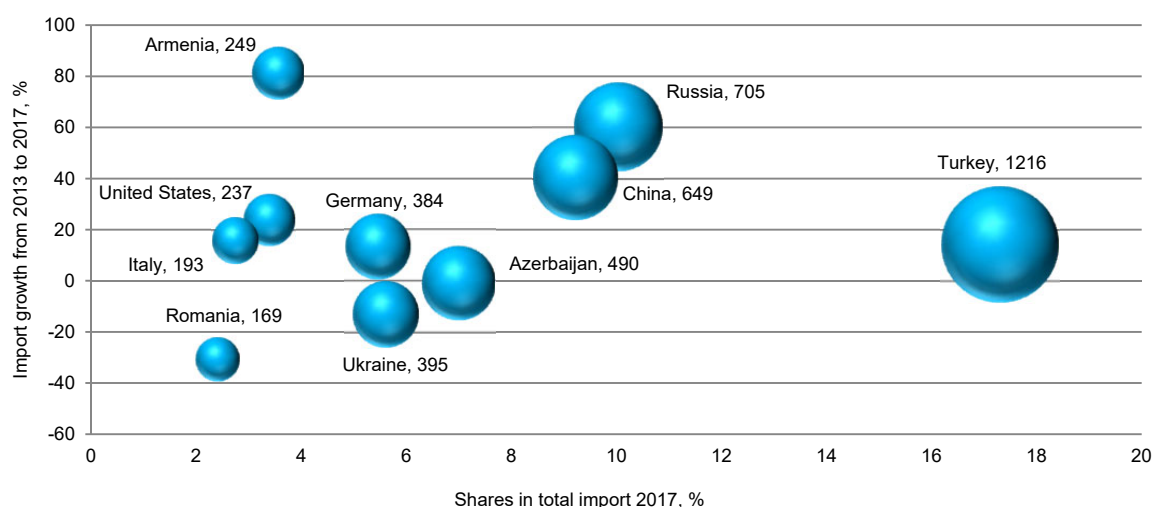
The key **exports to the EU** (EU imports from Georgia since we use here the mirror statistics from the Eurostat Comext database) include **copper ores** (39% of the total), **nuts**, **nitrogen fertilisers** and **mineral oils** (7% each – Figure 7). As mentioned above, Georgia suffers from a chronic trade deficit (nearly EUR 5 billion per year or 35% of GDP during 2013-2017, of which about EUR 1.3 billion with the EU). Georgian exports to the EU are also highly **concentrated** on just a few commodities: in 2017, the top five HS 4-digit export positions to the EU accounted for 65% of the total. Moreover, exports to the EU more or less stagnated during the last couple of years according to Eurostat data, although exports of

copper ores almost doubled, and exports of wine and spirits grew by 50% (in EUR terms).²¹ Overall, the **DCFTA apparently has not had any significant positive effect** on Georgian exports to the EU so far, despite some spectacular increases by individual products (e.g. fruit, wine, pneumatic tyres, clothes and textiles). Even in 2018 preliminary data show that exports to the EU (+5%) grew below average (+15%).

MERCHANDISE IMPORTS

As mentioned above, Georgia suffers from **chronic trade deficits** and its trading partners are located mainly in the neighbourhood. The main import partner is **Turkey, followed by Russia, China and Azerbaijan** (Figure 8). Imports from the EU accounted for 28% of the total, about the same share as combined Georgian imports from Turkey and Russia. Within the EU, the biggest import partners are **Germany, Italy and Romania**. Apart from Armenia, the fastest import growth during the period 2013-2017 was recorded for imports from Russia, China and the United States. Overall **imports increased by 16% between 2013 and 2017**, imports from the EU were up by 14% in the same period (all growth figures again in nominal EUR-based terms). In 2018, preliminary figures show an increase in total imports by 8%; imports from the EU grew by 12%, with the fastest import growth from the EU countries reported for Austria, Belgium, France and the Netherlands.

Figure 8 / Georgia's top 10 import partners, 2017, EUR million



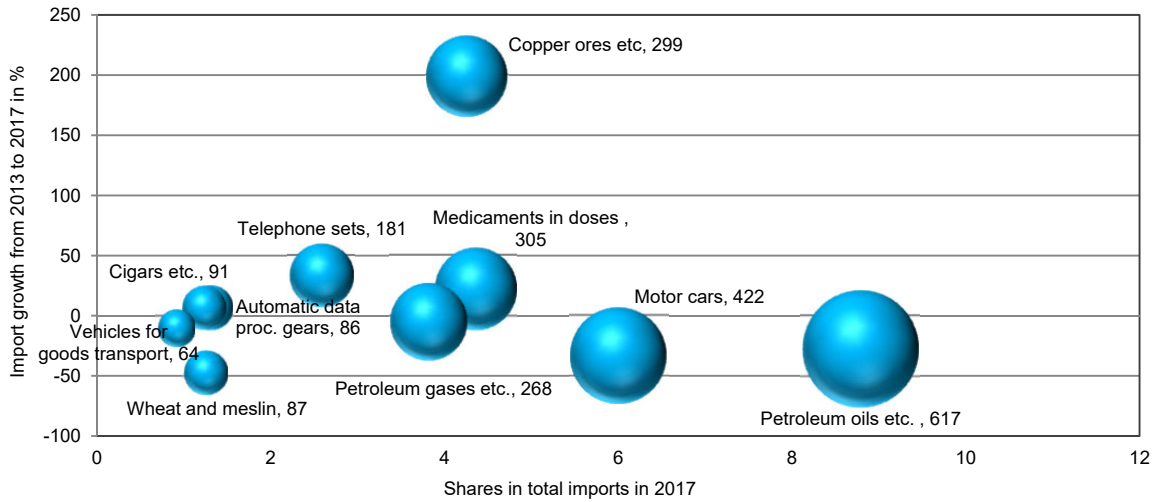
Note: Bubble size is proportional to value of exports in 2017 (EUR million).

Source: Own calculations based on Geostat.

The main import commodities are **petroleum oils, motor cars, copper ores and medicaments** (Figure 9). As far as imports from the EU (EU exports to Georgia in the Eurostat mirror statistics) are concerned, Georgia imported mainly **mineral oils (other than crude), medicaments and passenger cars** (Figure 10; note that growth outliers in 2017 such as radar and navigation gears, sugar, and vehicles for public transport are not shown in the graph). The major part of motor vehicles and pharmaceuticals were imported from Germany.

²¹ Note that there are considerable differences between Georgian (Geostat) and EU (Eurostat Comext) statistics. Exports of nuts were decimated in 2017 by a bug epidemic. EBRD is helping to foster hazelnut production by supporting small-scale farmers – see www.ebrd.com/news/2018 (as of 23 March 2018).

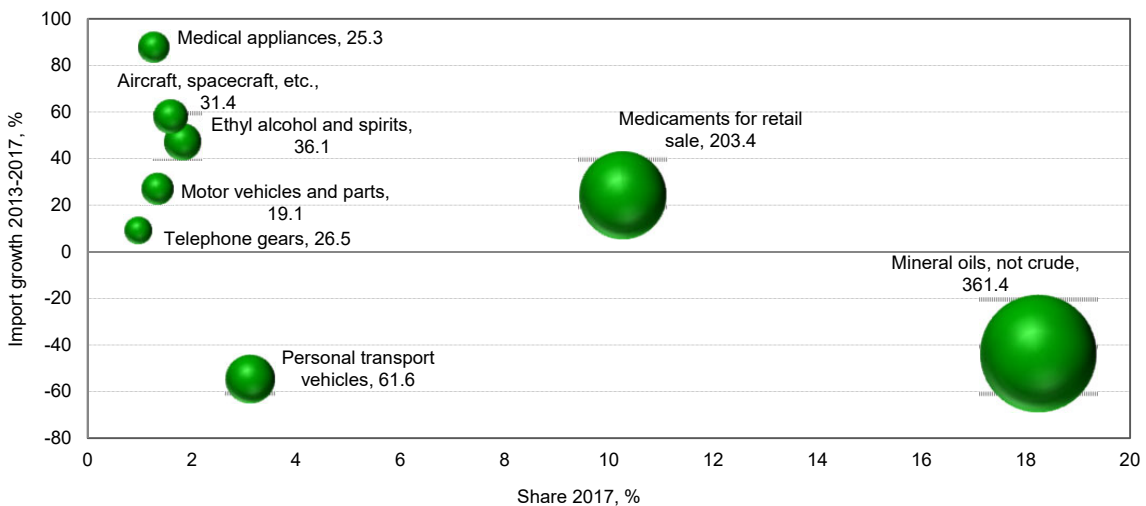
Figure 9 / Top 10 imports to Georgia, 2017, EUR million



Note: Bubble size is proportional to value of exports in 2017 (EUR million). Product categories according to HS 4-digit classification.

Source: Own calculations based on Geostat.

Figure 10 / Georgia's top 10 imports from the EU, 2017, EUR million*)



*) Except radar, navigation, etc. gears and sugar which both recorded extremely high growth in 2017.

Note: Bubble size is proportional to value of exports in 2017 (EUR million). Product categories according to HS 4-digit classification.

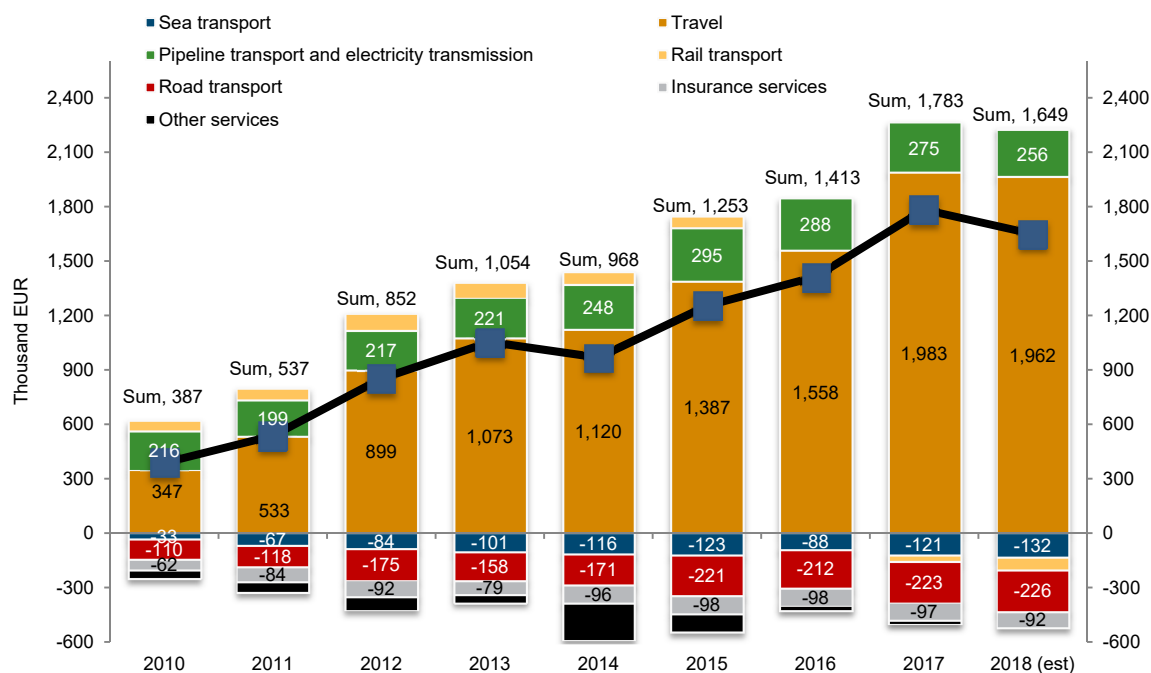
Source: Own calculations based on Eurostat Comext database.

TRADE IN SERVICES

In contrast to goods trade, Georgia records **surpluses in services trade**: about EUR 1.8 billion in 2017 and EUR 1.65 billion in 2018 (this corresponds to more than 13% of GDP – see Table 1 above). Figure 11 shows the net balances (credit minus debit) of the main components of services trade according to the balance of payments. The main contributors to services net incomes are **travel**

(tourism),²² pipeline and rail transport (the latter, however, turned negative after 2016 – see Figure 11). Negative contributions to the services trade balance stem from sea and road transport, as well as from insurance services.

Figure 11 / Georgia: Net contributions of main services to the current account, EUR million



Source: Own calculations based on NBG data.

FOREIGN DIRECT INVESTMENT (FDI)

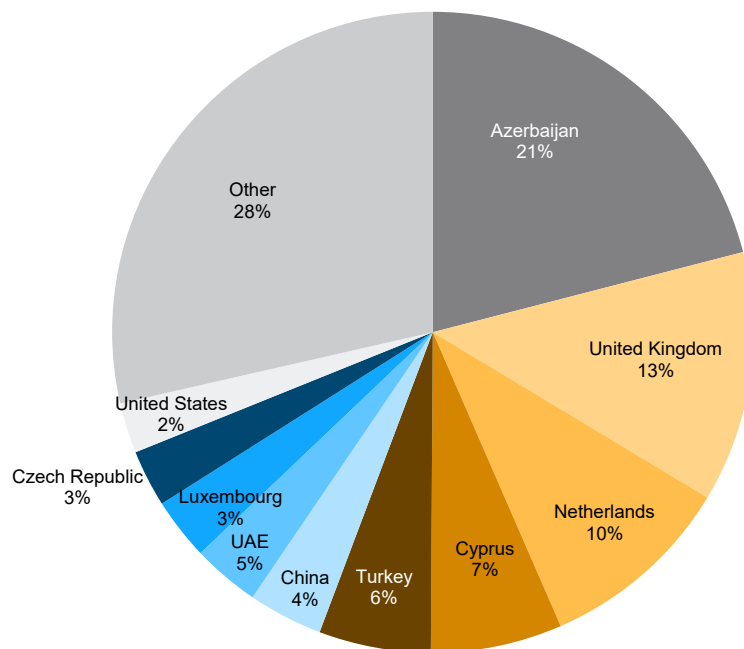
Largely thanks to its business-friendly economic policies and a favourable geographical location as a transit country, Georgia has been relatively **successful in attracting FDI**, especially after 2013. As of mid-2018, the cumulated inward FDI stocks reached nearly EUR 14,780 million – about EUR 4,000 per capita – and there has been a considerable increase in annual FDI inflows since 2013 (around EUR 1.5 billion per year). However, preliminary data for 2018 indicate a significant drop in FDI inflows. Among the main investors are Azerbaijan, the United Kingdom, the Netherlands, Cyprus and Turkey (Figure 12). Foreign investors are targeting mainly transport, energy, construction and real estate, as well as the financial sector. The largest institutional investor is the EBRD, which invested more than EUR 3.3 billion in 231 projects, mostly supporting the private sector. For 2018, new EBRD investments of EUR 270 million in 26 new projects were reported.²³

²² Again, the majority (more than 50% of the total) of inbound tourists come from the neighbouring countries Armenia, Azerbaijan, Russia and Turkey according to Geostat.

²³ <https://www.ebrd.com/news/2019/ebrd-president-sir-suma-chakrabarti-visits-georgia.html>.

Figure 12 / Georgia: Inward FDI stocks by main partners

(total: EUR 14.8 billion as of mid-2018)



Source: Own calculations based on Geostat data.

CONCLUSIONS

Georgia has pursued very **liberal trade and economic policies** over the last two decades. The country joined the WTO in 2010 virtually without demanding any external tariffs and has been one of the most business-friendly places in the world. At the same time – and perhaps as a side effect of liberal policies – the estimated share of the shadow economy in Georgia exceeds 50% of GDP. The informal sector of the economy comprises a large part of the retail trade and small-scale farmers and is among the highest in the world.²⁴

Together with a number of **free trade agreements** (with the EU, EFTA, CIS, Turkey and China), the country's foreign trade policy is governed since 2014 by the implementation of the **AA/DCFTA** that requires the adoption of a whole set of EU standards and regulations in the areas of trade, environment, agriculture, energy, transport, public procurement, etc. The successful implementation of AA/DCFTA is expected to boost reforms and economic growth, and to bring the country closer to the EU. As elsewhere, the DCFTA implementation is also challenging and costly – with costs and potential benefits distributed unevenly over time and across sectors.²⁵

²⁴ <https://www.imf.org/en/Publications/WP/Issues/2018/01/25/Shadow-Economies-Around-the-World-What-Did-We-Learn-Over-the-Last-20-Years-45583>.

²⁵ See Adarov and Havlik (op.cit.).

In merchandise trade, Georgia has been suffering from **huge goods trade deficits** and the export base has been very narrow with just a few competitive products (both globally and in the EU market). Foreign trade is conducted mainly with neighbouring countries (Russia, Turkey, Azerbaijan, Armenia and China), with exports focusing mainly on semi-manufactured products and agriculture. Trade between the EU and Georgia has been growing steadily over the years and nowadays the EU as a block is Georgia's main trading partner. Georgian exports to the EU remain highly concentrated on a few commodities. Moreover, exports to the EU have been sluggish during the last couple of years, despite some spectacular increases by individual products (e.g. fruit, wine, pneumatic tyres, clothes and textiles). Just slightly more than a dozen Georgian exporters managed to obtain the EUR.1 certificate of origin required by the EU, and many potential exporters struggle to meet the required SPS standards and TBT requirements.

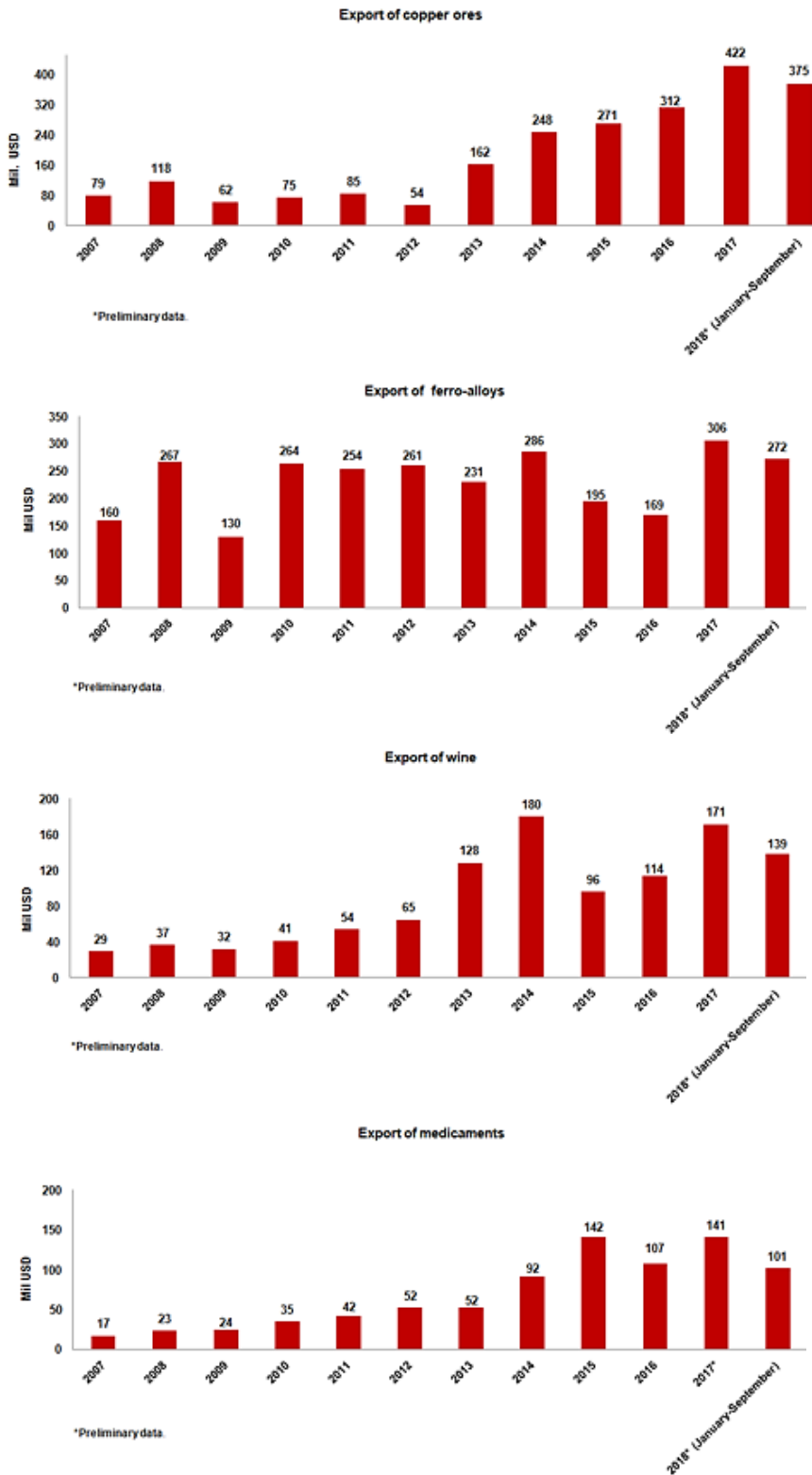
The country enjoys **competitive advantages in services**, especially in tourism and transit transport (both contributing more than EUR 2.2 billion per year net to the balance of payments). Together with remittances, surpluses in services trade are mitigating the excessive (and otherwise probably unsustainable) deficits in goods trade. With further progress in AA/DCFTA implementation and a lasting business-friendly institutional climate for FDI, Georgia has favourable **chances continuing to outperform** its DCFTA peers (Moldova and Ukraine) in institutional reforms, economic growth and attractive business environment – notwithstanding the lasting disputes with Russia regarding frozen conflicts in Abkhazia and South Ossetia where it is officially designated as an 'occupant' country.²⁶ A development strategy combining existing competitive advantages of **tourism with domestic agriculture** (using the excellent domestic wine and delicious local food),²⁷ supported by structural reforms in the agricultural sector and targeted FDI policies, could be a viable option to foster inclusive economic growth and mitigate external vulnerabilities.

²⁶ See <https://jamestown.org/program/russia-georgia-disagree-north-south-trade-corridors/>.

²⁷ EBRD is supporting local companies with its EU4Business initiative – see <https://www.ebrd.com/news/2019/uncorking-georgian-wine-worldwide.html>.

ANNEX

Figure A.1 / Georgia's key export commodities, 2007-2018, USD million



Source: Geostat.

Table A.1 / Balance of payments of Georgia, EUR thousand

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018 est
Current Account	-901,919	-1,324,373	-1,468,210	-721,519	-1,347,279	-1,589,061	-1,706,889	-1,180,548	-1,398,729
Goods	-1,953,741	-2,509,927	-3,281,447	-2,629,797	-3,214,873	-3,546,215	-3,495,511	-3,359,866	-3,487,724
<i>Credit</i>	1,857,284	2,337,997	2,725,965	3,196,869	3,066,108	2,793,571	2,647,647	3,216,689	3,676,951
<i>Debit</i>	-3,811,025	-4,847,924	-6,007,412	-5,826,667	-6,280,981	-6,339,786	-6,143,158	-6,576,555	-7,164,674
General merchandise	-2,086,949	-2,647,005	-3,425,696	-2,750,552	-3,299,765	-3,654,010	-3,611,425	-3,474,544	-3,607,015
Exports FOB	1,687,453	2,168,447	2,543,358	3,031,278	2,918,349	2,624,368	2,480,701	3,049,258	3,519,519
Exports of goods in trade statistics	1,094,898	1,472,283	1,752,777	2,098,042	2,066,931	1,862,875	1,776,205	2,303,497	2,661,061
Adjustments	592,555	696,165	790,581	933,236	851,418	761,494	704,497	745,762	858,458
Imports FOB	-3,774,402	-4,815,453	-5,969,054	-5,781,830	-6,218,115	-6,278,379	-6,092,127	-6,523,802	-7,126,534
Imports of goods in trade statistics	-3,454,346	-4,493,118	-5,490,607	-5,346,372	-5,794,234	-5,863,788	-5,902,076	-6,307,516	-6,891,892
Adjustments	-320,056	-322,335	-478,447	-435,458	-423,881	-414,591	-190,051	-216,286	-234,642
For coverage	-320,056	-322,335	-478,447	-435,458	-423,881	-414,591	-190,051	-216,286	-234,642
Services	387,300	536,972	851,816	1,053,963	967,916	1,253,128	1,413,293	1,782,898	1,649,222
<i>Credit</i>	1,205,983	1,442,642	1,979,812	2,229,599	2,272,329	2,763,142	2,977,195	3,519,239	3,411,600
<i>Debit</i>	-818,682	-905,670	-1,127,996	-1,175,636	-1,304,414	-1,510,014	-1,563,901	-1,736,341	-1,762,378
Transportation, net	106,305	75,553	35,691	54,705	23,824	-6,753	-36,399	-111,351	-225,241
Sea transport	-32,633	-67,148	-83,852	-101,209	-116,172	-122,635	-88,004	-121,438	-132,043
Air transport	-22,864	-5,379	-13,274	7,089	-6,497	-19,421	-22,527	-5,129	-50,462
Rail transport	55,792	66,510	90,366	86,231	69,393	61,420	-1,684	-36,608	-72,641
Road transport	-109,832	-117,888	-174,653	-158,275	-171,083	-220,694	-212,160	-223,444	-225,601
Pipeline transport and electricity transmission	215,843	199,458	217,104	220,868	248,183	294,577	287,976	275,268	255,506
Travel	347,100	532,672	898,585	1,073,440	1,120,044	1,387,027	1,557,880	1,983,494	1,962,393
Insurance services	-61,607	-83,514	-92,206	-78,652	-96,241	-98,088	-97,726	-97,469	-91,948
Other services	-46,014	-58,060	-72,120	-44,270	-204,625	-103,618	-28,591	-21,134	7,600

Source: Own calculations based on NBG (<https://www.nbg.gov.ge/uploads/banalceofpayments/bopbpm5eng.xlsx>).

SHORT LIST OF THE MOST RECENT WIIW PUBLICATIONS

(AS OF APRIL 2019)

For current updates and summaries see also wiiw's website at www.wiiw.ac.at

GEORGIA'S ECONOMIC PERFORMANCE: BRIGHT SPOTS AND REMAINING CHALLENGES

by Tinatin Akhvlediani and Peter Havlik

wiiw Policy Notes and Reports, No. 29, April 2019

21 pages including 2 Tables and 13 Figures

PDF only: free download from wiiw's website

WIIW MONTHLY REPORT 2019/4

ed. by Vasily Astrov and Richard Grieveson

- › Chart of the month: Remittances in CESEE countries
- › Opinion Corner: 'Integration of integrations': Is there a way forward?
- › Trade effects of Eurasian economic integration to date
- › Regional trade integration in Central Asia: Current status, challenges and prospects
- › Monthly and quarterly statistics for Central, East and Southeast Europe

wiiw Monthly Reports, No. 4, April 2019

45 pages including 10 Figures

exclusively for wiiw Members

THE IMPACT OF LABOUR MARKET INSTITUTIONS AND CAPITAL ACCUMULATION ON UNEMPLOYMENT: EVIDENCE FOR THE OECD, 1985-2013

by Philipp Heimberger

wiiw Working Papers, No. 164, April 2019

34 pages including 6 Tables and 1 Figure

hardcopy: EUR 8.00 (PDF: free download from wiiw's website)

MOVING INTO THE SLOW LANE

by Richard Grieveson (Lead author), Alexandra Bykova, Gábor Hunya, Mario Holzner, Olga Pindyuk and Sándor Richter, et al.

wiiw Forecast Report. Economic Analysis and Outlook for Central, East and Southeast Europe, Spring 2019

wiiw, March 2019

181 pages including 39 Tables and 68 Figures

hardcopy: EUR 80.00 (PDF: EUR 65.00)

ISBN- 978-3-85209-064-1

DEMOGRAPHIC CHALLENGES FOR LABOUR SUPPLY AND GROWTH

by Robert Stehrer and Sandra M. Leitner

wiiw Research Reports, No. 439, March 2019

53 pages including 17 Tables, 18 Figures and 1 Box

hardcopy: EUR 8.00 (PDF: free download from wiiw's website)

BEVÖLKERUNGS- UND WIRTSCHAFTS-ENTWICKLUNG IN DEN MITTEL- UND OSTEUROPÄISCHEN LÄNDERN

by Hermine Vidovic (Koordination), Vasily Astrov, Mario Holzner, Stefan Jestl, Michael Landesmann, Isilda Mara, Roman Römisch und Robert Stehrer

wiiw-Forschungsberichte / wiiw Research Reports in German language, No. 13, March 2019

115 pages including 59 Tables, 33 Figures and 7 Maps

hardcopy: EUR 8.00 (PDF: free download from wiiw's website)

WIIW MONTHLY REPORT 2019/3

ed. by Vasily Astrov and Richard Grieveson

- › Chart of the month: European investment since the crisis
- › Opinion Corner: How to fill Europe's investment gap
- › Recent investment trends in CESEE countries: supply-side fundamentals of the catch-up are weak
- › Outward FDI and intra-regional integration of EU-CEE11 countries
- › Monthly and quarterly statistics for Central, East and Southeast Europe

wiiw Monthly Reports, No. 3, March 2019

44 pages including 3 Tables and 30 Figures

exclusively for wiiw Members

UNSECURED LENDING IN CENTRAL AND SOUTHEAST EUROPE

by Mario Holzner (coordinator), Amat Adarov, Richard Grieveson, Olga Pindyuk and Hermine Vidovic

wiiw Market Report, No. 1, March 2019

130 pages including 63 Tables and 97 Figures

PDF only: free download from wiiw's website

WIIW MONTHLY REPORT 2019/2

ed. by Vasily Astrov and Richard Grieveson

- › Chart of the month: The Russian economy and oil prices
- › Opinion Corner: Russia's new social contract in light of the oil taxation reforms
- › The fiscal rule and the foreign exchange market in Russia: Stepping in the same river twice?

- › Global slowdown and the Russian economy
- › Monthly and quarterly statistics for Central, East and Southeast Europe

wiiw Monthly Reports, No. 2, February 2019
44 pages including 3 Tables and 30 Figures
exclusively for wiiw Members

TESTING THE SMILE CURVE: FUNCTIONAL SPECIALISATION IN GVC'S AND VALUE CREATION

by Roman Stöllinger

wiiw Working Papers, No. 163, February 2019
45 pages including 13 Tables and 13 Figures
hardcopy: EUR 8.00 (PDF: free download from wiiw's website)

DYNAMIC INTERACTIONS BETWEEN FINANCIAL AND MACROECONOMIC IMBALANCES: A PANEL VAR ANALYSIS

by Amat Adarov

wiiw Working Papers, No. 162, February 2019
32 pages including 7 Tables and 12 Figures
hardcopy: EUR 8.00 (PDF: free download from wiiw's website)

wiiw Working Papers – Online Appendix to No. 162, February 2019
12 pages including 24 Tables and 7 Figures
PDF only (free download from wiiw's website)

WIIW MONTHLY REPORT 2019/1

ed. by Vasily Astrov and Richard Grieveson

- › Chart of the month: The euro turns 20
- › Opinion Corner: Chinese foreign investment: A dangerous obsession or a new normal?
- › How the EU has been shaping the world trade order
- › Wanted: EU free trade agreements that fit the optimal degree of trade integration
- › Monthly and quarterly statistics for Central, East and Southeast Europe

wiiw Monthly Reports, No. 1, January 2019
42 pages including 23 Figures
exclusively for wiiw Members

IMPRESSUM

Herausgeber, Verleger, Eigentümer und Hersteller:

Verein „Wiener Institut für Internationale Wirtschaftsvergleiche“ (wiiw),
Wien 6, Rahlgasse 3

ZVR-Zahl: 329995655

Postanschrift: A 1060 Wien, Rahlgasse 3, Tel: [+431] 533 66 10, Telefax: [+431] 533 66 10 50
Internet Homepage: www.wiiw.ac.at

Nachdruck nur auszugsweise und mit genauer Quellenangabe gestattet.

Offenlegung nach § 25 Mediengesetz: Medieninhaber (Verleger): Verein "Wiener Institut für Internationale Wirtschaftsvergleiche", A 1060 Wien, Rahlgasse 3. Vereinszweck: Analyse der wirtschaftlichen Entwicklung der zentral- und osteuropäischen Länder sowie anderer Transformationswirtschaften sowohl mittels empirischer als auch theoretischer Studien und ihre Veröffentlichung; Erbringung von Beratungsleistungen für Regierungs- und Verwaltungsstellen, Firmen und Institutionen.



wiiw.ac.at