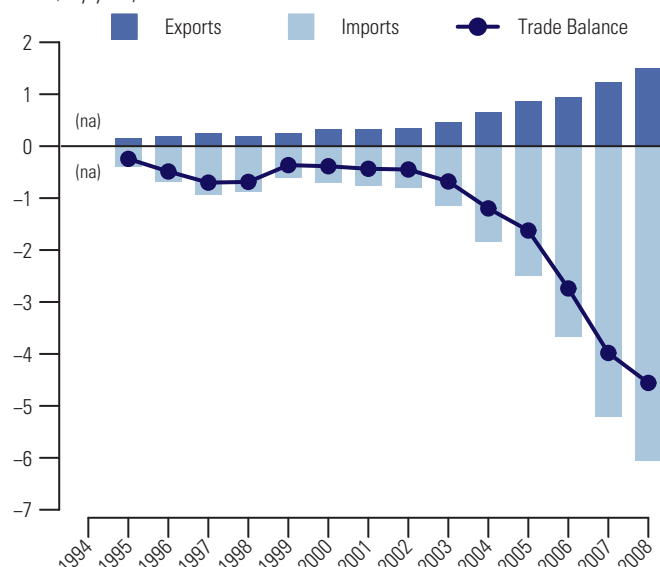


Overview:

From 2004 to 2008, Georgia's exports increased on average by 23.3 percent each year to reach 1.5 bln US\$ (see table 1 and graph 1). During the same period, imports increased on average by 34.6 percent each year and exceeded 6.0 bln US\$ in 2008 (see table 2 and graph 1). As a result, trade deficit widened from 1.2 bln US\$ in 2004 to 4.6 bln US\$ in 2008 (see graph 1). This deficit reflected largely trade with three MDG regions: the Commonwealth of Independent States (-1.5 bln US\$), Developed Europe (-1.3 bln US\$) and Western Asia (-1.0 bln US\$) (see graph 2). In 2008, imports were more diversified across partner than exports: 17 major partners accounted for 80 percent of imports (compared to 10 major partners for exports) (see graph 3).

Graph 1: Total imports, exports and trade balance

(Bln US\$ by year)

**Exports Profile:**

Exports of manufactured goods classified chiefly by material (SITC section 6) increased on average by 58.0 percent since 2004 and represented 26.1 percent of total exports in 2008 (see table 1). Other major commodity groups for exports were inedible crude materials (except fuels), animal and vegetable oils, fats and waxes (SITC sections 2+4) and food, live animals, beverages and tobacco (SITC sections 0+1): they represented respectively 22.1 and 16.2 percent of exports. In 2008, exports of inedible crude materials (except fuels), animal and vegetable oils, fats and waxes (SITC sections 2+4) increased by 25.0 percent while exports of food, live animals, beverages and tobacco (SITC sections 0+1) dropped by 17.2 percent. Turkey, Azerbaijan and Ukraine were the three largest markets for exports (see table 4). From 2006 to 2008, top exported goods were ferro-alloys (HS code 7202), ferrous waste and scrap; remelting scrap ingots of iron or steel (HS code 7204) and copper ores and concentrates (HS code 2603) (see table 3).

Table 1: Exports by SITC sections

(Value in million US\$, growth and shares in percentage)

SITC	2008	Avg. Growth rates (%)		2008 share
		2004-2008	2007-2008	
Total	1 497.5	23.3	21.5	100.0
0+1	242.7	5.0	-17.2	16.2
2+4	331.3	18.1	25.0	22.1
3	44.2	18.0	-3.8	3.0
5	157.8	37.4	33.3	10.5
6	391.0	58.0	51.7	26.1
7	193.6	12.8	26.6	12.9
8	34.3	46.6	32.2	2.3
9	102.7	52.0	39.6	6.9

Table 2: Imports by SITC sections

(Value in million US\$, growth and shares in percentage)

SITC	2008	Avg. Growth rates (%)		2008 share
		2004-2008	2007-2008	
Total	6 055.7	34.6	16.1	100.0
0+1	864.7	24.0	11.7	14.3
2+4	189.1	50.6	67.7	3.1
3	1 091.3	36.1	19.1	18.0
5	553.1	31.8	24.5	9.1
6	970.3	37.1	26.9	16.0
7	1 771.1	37.7	22.2	29.2
8	581.5	42.9	21.4	9.6
9	34.6	0.0	-87.4	0.6

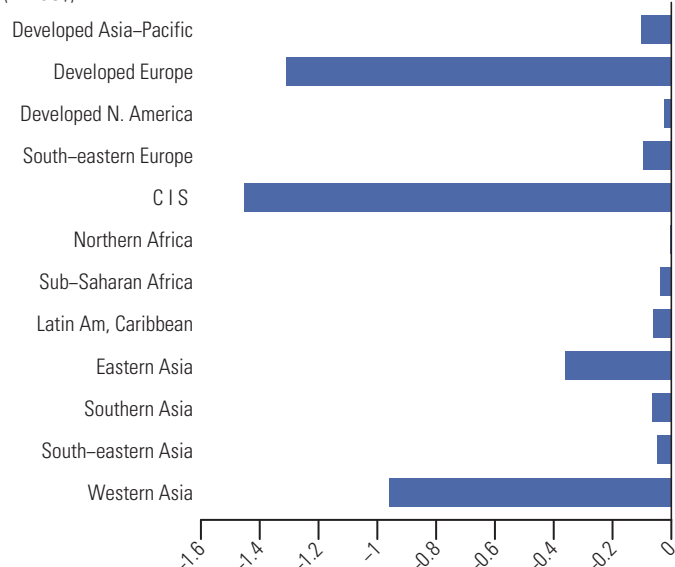
Table 3: Top 10 export commodities 2006 to 2008

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2002	Value (million US\$)			Unit value				SITC code
		2006	2007	2008	2006	2007	2008	Unit	
	All Commodities.....	935.1	1 232.4	1 497.5					
7202	Ferro-alloys.....	89.8	159.6	267.2	0.7	1.2	2.1	US\$/kg	671
7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel.....	72.4	96.9	128.5	0.2	0.2	0.3	US\$/kg	282
2603	Copper ores and concentrates.....	79.5	79.2	118.3	1.3	1.3	1.2	US\$/kg	283
8703	Motor cars and other motor vehicles principally designed for the transport.....	50.6	70.2	113.3	3.8	17.1		thsd US\$/unit	781
7108	Gold (including gold plated with platinum).....	48.3	69.4	100.1	7.2	9.5	12.7	thsd US\$/kg	971
3102	Mineral or chemical fertilisers, nitrogenous.....	46.6	57.0	105.5	0.2	0.2	0.3	US\$/kg	562
2523	Portland cement, aluminous cement, slag cement.....	28.8	64.0	80.1	0.1	0.1	0.1	US\$/kg	661
0802	Other nuts, fresh or dried.....	56.6	65.1	31.7	4.5	5.6	3.9	US\$/kg	057
2208	Alcohol of a strength by volume of less than 80 % vol.....	30.1	57.4	59.0	4.5	3.0	4.4	US\$/litre	112
2204	Wine of fresh grapes, including fortified wines.....	41.1	29.2	36.9	2.7	3.1	3.5	US\$/litre	112

Graph 2: Trade Balance by MDG Regions in 2008

(Bln US\$)



Graph 3: Partner concentration of trade in 2008

(Cumulative share by ranked partners)

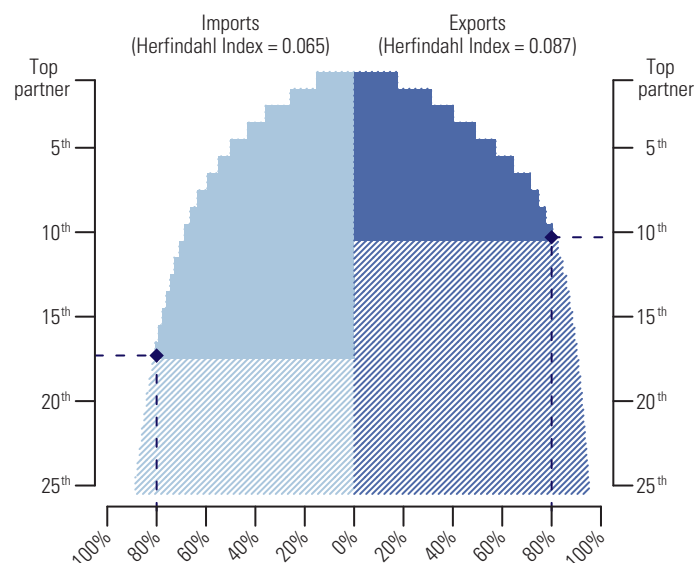


Table 4: Exports by principal countries and SITC sections in 2008

(Value in million US\$, percentages of country total)

Country	Total	Shares by SITC sections (%)									Total
		0 + 1	2 + 4	3	5	6	7	8	9		
World.....	1497.5	16.2	22.1	3.0	10.5	26.1	12.9	2.3	6.9	100	
Turkey.....	262.9	2.1	53.4	1.5	2.9	28.3	6.0	5.8	...	100	
Azerbaijan.....	205.2	13.9	2.3	0.4	6.5	45.5	29.9	1.4	...	100	
Ukraine.....	134.2	59.8	0.5	...	0.6	19.0	20.0	0.1	...	100	
Canada.....	131.8	0.2	0.0	...	...	23.8	0.1	0.0	75.9	100
Armenia.....	124.8	26.3	6.2	0.9	18.7	7.6	37.7	2.4	0.1	100	
Bulgaria.....	106.7	1.6	84.5	7.1	4.0	2.2	0.6	0.1	...	100	
USA.....	102.2	4.0	6.1	4.7	14.9	70.0	0.2	0.2	...	100	
Mexico.....	53.0	0.0	0.0	...	0.0	100.0	...	...	...	100
United Kingdom.....	43.6	4.7	40.5	...	40.1	0.2	4.6	9.9	...	100	
France.....	39.9	4.0	0.6	0.0	73.8	21.1	0.4	0.2	...	100	

Imports Profile:

Georgia's imports were composed of 29.2 percent of machinery and transport equipment (SITC section 7), 18.0 percent of mineral fuels, lubricants and related materials (SITC section 3) and 16.0 percent of manufactured goods classified chiefly by material (SITC section 6) (see table 2). From 2006 to 2008, top products for imports were petroleum oils, other than crude (HS code 2710), motor cars and other motor vehicles principally designed for the transport (HS code 8703) and petroleum gases and other gaseous hydrocarbons (HS code 2711) (see table 5).

Table 5: Top 10 import commodities 2006 to 2008

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2002	Value (million US\$)			Unit value			SITC code
		2006	2007	2008	2006	2007	2008	
All Commodities.....		3674.5	5214.1	6055.7				
2710 Petroleum oils, other than crude.....		443.1	556.3	762.5	0.6	0.7	0.9	334
8703 Motor cars and other motor vehicles principally designed for the transport.....		295.3	369.7	463.3	5.7	8.2	thsd US\$/unit	781
2711 Petroleum gases and other gaseous hydrocarbons.....		213.1	293.9	204.7	0.2	0.2	0.2	343
3004 Medicaments (excluding goods of heading 30.02, 30.05 or 30.06).....		114.5	144.0	189.9	28.6	32.2	38.4	542
9999 Commodities not specified according to kind.....		90.8	274.4	34.6				931
1001 Wheat and meslin.....		99.1	139.2	108.9	0.2	0.2	0.3	041
8525 Transmission apparatus for radio-telephony, radio-broadcasting.....		58.7	105.2	148.2				764
1701 Cane or beet sugar and pure sucrose, in solid form.....		65.6	90.5	66.0	0.3	0.4	0.4	061
8471 Automatic data processing machines and units thereof.....		46.4	78.0	92.8	258.3			752
7214 Other bars and rods of iron or non-alloy steel.....		33.1	71.9	111.1	0.5	0.6	0.8	676