

# WORLD TRADE ORGANIZATION

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## **Working Party on the Accession of Georgia**

### **ACCESSION OF GEORGIA**

#### Elements of a Draft Report

#### **INTRODUCTION**

1. The Government of Georgia applied for accession to the World Trade Organization in June 1996. At its meeting on 18 July 1996, the General Council established a Working Party to examine the application of the Government of Georgia to accede to the World Trade Organization under Article XII of the Marrakesh Agreement Establishing the WTO. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/GEO/2/Rev.1.

2. The Working Party met on 3 March 1998 under the Chairmanship of H.E. Ms E.L. Herfkens (Netherlands); and 13 October 1998, ..... under the Chairmanship of H.E. Ms A. Anderson (Ireland).

#### **DOCUMENTATION PROVIDED**

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of Georgia (WT/ACC/GEO/3), the questions submitted by Members on the foreign trade regime of Georgia, together with the replies thereto, and other information provided by the authorities of Georgia (WT/ACC/GEO/4, WT/ACC/GEO/7 and Addendum 2, WT/ACC/GEO/10, WT/ACC/GEO/12, WT/ACC/GEO/16, WT/ACC/GEO/18 ....), including the legislative texts and other documentation listed in Annex I.

#### **INTRODUCTORY STATEMENTS**

4. In his introductory statement, the representative of Georgia said that Georgia, although relatively small in size and population, was located in a strategically important transit corridor between the Black and Caspian Seas. Membership in the WTO was the most important step in Georgia's full integration into the world trading system. His Government had declared rapid entry into the WTO the most important priority of its foreign economic policy, and a Commission on Accession had been established with representatives from virtually all ministries and departments.

5. Georgia was undergoing economic transition from a centrally-planned to a market based economy, with major reforms of its trade regime, banking sector and privatization of State property. Georgia had adopted a new Constitution in 1995, and had since then undertaken a major overhaul of its legal system to harmonize to international norms. In addition to basic legislation such as the Civil Code and the Tax and Customs Codes, Georgia was introducing new legislation in key trade-related areas such as maritime and air transport, intellectual property, standardization and certification, government procurement, privatization, and business legislation. Parliament had made a commitment that all new legislation, starting from 1 September 1998, should be in full compliance with the legal norms of the European Communities. Georgia was receiving technical assistance from individual WTO Members and international organizations in its process of reform and accession to the WTO.

He assured the Working Party that the Government of Georgia would do everything required to fulfill the commitments Georgia would be undertaking in acceding to the WTO.

6. In their opening remarks, members of the Working Party welcomed the request from Georgia to accede to the WTO. Many Members were impressed by Georgia's strong efforts from the outset to provide information on its foreign trade regime, and noted that the bilateral market negotiations had made a good start. Although Georgia maintained some measures which were inconsistent with WTO rules, such anomalies were not unusual at the beginning of an accession process. Georgia was encouraged to continue its economic and trade reforms, which would assist in accelerating the process of its accession to the WTO.

7. The Working Party reviewed the economic policies and foreign trade regime of Georgia and the possible terms of a draft Protocol of Accession to the WTO. The views expressed by members of the Working Party on the various aspects of Georgia's foreign trade regime, and on the terms and conditions of Georgia's accession to the WTO, are summarized below in paragraphs 8 to .....

## ECONOMIC POLICIES

### Monetary and Fiscal Policy

8. The representative of Georgia said that the National Bank of Georgia was responsible for the design and implementation of monetary policy. The National Bank had been established in 1991, and the final version of the Law "On National Bank" had been approved in June 1995. In practice, the National Bank worked closely with the Ministry of Finance as monetary and fiscal policies were closely linked.

9. Georgia's fiscal policy aimed at boosting revenue to a level to finance most current government expenditure, while relying in the main on external sources for capital outlays. Georgia had strengthened its tax and customs administration to improve revenue performance, and maintained a restrained expenditure programme with emphasis on health and education. The principal taxes levied in Georgia were value added tax; profit tax; income tax; a fixed tax on small enterprises; excises; customs duty; social security levy, medical tax and employment fund tax levied on enterprises and employees; property tax; and agricultural and urban land tax. In response to a specific question, he said that local administrations could levy taxes within the framework of national legislation (Article 6.3 of the Georgian Tax Code) on entrepreneurial activities, gambling business, health resorts, hotels, advertising, car parking, and on the use of local symbols. He confirmed that local administrative bodies had no right to impose any other kind of taxes.

### Foreign Exchange and Payments

10. The representative of Georgia said that the national currency – the Lari – was traded on the Tbilisi Interbank Currency Exchange (TICEX) as well as in the Foreign Exchange Bureau Market (FXB). TICEX functioned as a wholesale market for foreign exchange between banks, while large volumes of small retail transactions were carried out in the FXB. The Government's exchange rate policy was based on "managed float". No fixed target was set for the exchange rate of the Lari, but the National Bank of Georgia could intervene in the TICEX auction market as a buyer or seller to smooth out temporary imbalances between supply and demand for foreign exchange.

11. Georgia had become a member of the International Monetary Fund in May 1992 with a quota of SDR 111 million. Georgia had accepted Article VIII of the Articles of Agreement of the IMF in early 1997. He confirmed that the national currency was convertible on current account without any restrictions. No requirements existed on the right of legal and natural persons to obtain, bank or dispose of foreign exchange, and there were no requirements to surrender foreign exchange earned

from export operations. He also confirmed that foreign currency needed for imports was equally available for goods subject to import licensing. In response to a specific question, he confirmed that a court order was required to freeze the bank accounts of domestic and foreign-owned firms.

#### Investment Regime

12. The representative of Georgia said that foreign and domestic investment on the territory of Georgia was regulated under the Law "On Promotion and Guarantees of Investment Activity" of 12 November 1996. Foreign investors enjoyed the same rights and protection as physical and legal persons of Georgia according to paragraph 1, Article 3 of the Law. A registration requirement for foreign investors had been abolished with the entry into force of the Law "On Amendments and Changes to the Law on Promotion and Guarantees of Investment Activities".

13. The representative of Georgia said that, subject to the payment of taxes and other compulsory levies, every foreign investor had the right to transfer abroad freely and without delay all contributions to capital, profit and other monetary proceeds generated by investment activity (paragraph 5, Article 3 of the Law). These rights could be restricted by decision of court in case of bankruptcy proceedings, criminal offence or failure to meet civil obligations. A foreign investor had the right to transfer abroad property owned by him.

14. Investment in certain sectors was prohibited or subject to licensing (Article 9). Permission was required in order to engage in the production of weapons and explosives; narcotic, poisonous and pharmaceutical substances; exploration and exploitation of any renewable or non-renewable substances; exploration of deposits of natural resources; establishment of casinos and gambling houses and the organization of games and lotteries; banking; insurance; issuance of securities; wireless communication services and the establishment of radio and television channels; and any other activities stipulated by the legislation of Georgia.

15. According to the Law "On Amendments and Changes to the Law on Promotion and Guarantees of Investment Activities", investment was prohibited with regard to the creation, production and proliferation of nuclear, bacteriological and chemical weapons; construction of polygons for testing nuclear, bacteriological and chemical weapons; importation of radioactive and toxic waste; scientific research activities connected with human cloning; production of narcotic substances; cultivation of poppy, coca and hemp; and activities prohibited by international legislative acts, agreements, conventions and protocols to which Georgia was a contracting party.

16. Concerning land ownership, the representative of Georgia said that joint-ventures had the right to buy only agricultural land.

#### State Ownership and Privatization

17. The representative of Georgia said that privatization had begun following the adoption of the Law "On Privatization of State Enterprises" and the State Programme of Privatization in 1992. Medium sized and large State enterprises had been transformed into joint stock companies in accordance with Resolution No. 288 of the Cabinet of Ministers of 14 April 1993 as part of the privatization process. In total, Georgia had 1,072 medium sized and large enterprises organized as joint-stock companies in mid-1997. The privatization of small entities, the first step of the privatization process, had been almost completed by 1997. The status of Georgia's progress in privatization is presented in Table 1.

18. Georgian and foreign natural and legal persons could take part in the process of privatization with one restriction; Georgian enterprises in which the Government owned more than 25 per cent of the authorized capital could not purchase privatized property. Privatization was carried out by the

State Property Management Ministry through auctions of blocks of shares, direct sales and tenders. The Government retained controlling blocks of shares (51 per cent) only in exceptional cases when an enterprise was of strategic interest, and the number of such enterprises was strictly limited. Employees had preference in the allocation of a certain number of shares. The greater part of State property had been privatized by vouchers, and thousands of citizens had become new owners of these assets.

19. A specific list of objects to be privatized was approved annually by the Ministry of State Property Management in consultation with the Ministry of Economy, Justice and other appropriate ministries. The following enterprises were scheduled for privatization in the period 1997-2000: (i) telecommunication enterprises, except cable and radio broadcasting networks of strategic importance, including the First State television channel; (ii) fuel and energy sector enterprises, including electric energy, the coal industry, gas, oil extraction, and the supply of oil products; (iii) manufacturing enterprises except defence-related industry; (iv) agriculture and food industry except: veterinary services, plant protection services, services controlling the quality of seeds and plant materials, testing stations, and training and research institutions of the Academy of Agricultural Sciences of Georgia; (v) construction-related enterprises except: main municipal pipelines, water supply, sewage and a technical evaluation bureau; (vi) transport sector units except "Sakaeoronaigatsia", the airline companies "Aisi" and "Abavia", the ports of Batumi, Poti, Sukhumi, the airports of Tbilisi, Kutaisi, Batumi, Poti and Senaki, and the Tbilisi underground system; (vii) health services excluding State medical organisations of vital importance; and (viii) education services. Preparations to privatize Georgia's railway infrastructure had begun. Georgian Railway would be transformed into a joint-stock company, and only the railway tracks would remain State property. The representative of Georgia provided a list of joint-stock companies with the controlling block of shares kept temporarily in State hands in document WT/ACC/GEO/10, pages 3-5. Detailed lists of firms owned wholly or in part by the State as per October 1998, and objects planned for privatization in 1999, were also provided to the Working Party. He also noted that information on the privatization process in Georgia was available on the Internet at three different addresses.

20. Article 4 of the Law "On Privatization of State Property" of 30 July 1997 defined State property not subject to privatization. Excluded from privatization were land of strategic importance, minerals, water resources, territorial waters and marine economic border zones; units of historical, cultural and artistic values, State archives of historical and cultural importance, film and photo documents, State funds, State museums, archives and funds of ministries, and scientific research institutes; Georgia's treasury and monetary reserves, reserves of precious metals, funds of national value, social security, medical insurance and other national funds; mobilization reserves and State reserves; institutions of the Academy of Sciences of Georgia; roads for general use; national cemeteries and pantheons; administrative buildings of organs of State administration; and enterprises producing radioactive materials and materials for military purpose, and testing, designing and scientific institutions.

21. Asked specifically about plans to privatize the energy sector, the representative of Georgia said that the energy sector would be restructured, dividing the regulatory functions and commercial activities. The State monopoly would be eliminated gradually, and Georgia would invite foreign investment to help relieve the existing crisis in the energy sector. Privatization of the electric energy sector would proceed in several stages. Having determined the authorized capital of the joint-stock companies, the controlling block of shares of distribution and production enterprises would be tendered and the remaining 49 per cent auctioned. Unfinished plants, except "Khudonhesi", would also be privatized. The State would retain 51 per cent of hydroelectric power stations on a temporary basis. Enterprises in the coal industry would be transformed into joint-stock companies and the State would retain 51 per cent ownership until an investor could be found who would undertake the necessary investments to rehabilitate and modernize the enterprise. The controlling block of shares of joint-stock companies in the gas industry would be sold by tender on the condition that each company

would continue its activities and undergo full technical rehabilitation within 2 years. The companies "Saktransgazmretsvi" and "Saktkhevadgazi" would remain temporarily in State hands; the decision to privatize "Saktkhevadgazi" would be taken in agreement with the Ministry of Energy and Fuel. The State company "Saknavtobi", engaged in oil extraction, would be restructured, transformed into a joint-stock company (except for its joint-ventures with foreign companies), and all shares, except those granted free of charge to employees, would temporarily remain State property. Joint-stock companies engaged in the supply of oil products would have the controlling block of shares sold gradually by tenders, and the remaining 49 per cent would be auctioned. Privatization of the energy sector was envisaged to be completed in 18 months. Some 76 per cent of the shares of "Telasi" (the electric energy distribution network of Tbilisi) had already been privatized.

22. The representative of Georgia estimated that privatized and private enterprises accounted for approximately 80 per cent of Georgia's GDP. Information on the portion of Georgia's foreign trade accounted for by government-owned firms was not available at present. Georgia expected to conclude its privatization process by 2000. Parliament had approved a new Law on the Administration and Disposal of State-owned Non-Agricultural Land, and a large number of individuals and enterprises were in the process of purchasing land they had previously rented.

23. The representative of Georgia confirmed that his Government would provide annual reports to WTO Members on developments in its programme of privatization as long as the programme of privatization would be in existence along the lines of the information provided to the Working Party during the accession process, as well as on other issues related to its economic reforms as relevant to its obligations under the WTO. [The Working Party took note of this commitment.]

#### Pricing Policies

24. The representative of Georgia said that the Cabinet of Ministers had adopted a series of Resolutions in the first four months of 1992, leading to a broadbased liberalization of prices. Additional Cabinet Resolutions in 1993 and 1994 had removed virtually all State administrative controls on prices for energy, transport and other social services. Price controls had been replaced by tariff regulation of local governments or, in the case of electricity and natural gas, by independent departments set up for this purpose. Milk prices had been liberalized in 1995 and the price of bread had been deregulated in June 1996. As a result, only natural gas, electricity and urban transport remained subject to price control. Prices for all other goods and services were determined freely by the market.

#### Competition Policy

25. The representative of Georgia said that the first steps to implement an anti-monopoly policy in Georgia had been taken in September 1992, when the State Council had adopted a Decree "On the Restriction of Monopoly Activities and the Development of Competition in Georgia" and an Anti-monopoly Policy Department had been established within the Ministry of Economy. Aware of the possibility that privatization of State monopolies and mergers could lead to new private monopolies, the Government had decided to strengthen competition legislation further and Parliament had adopted the Law "On Monopolistic Activity and Competition" in June 1996.

26. Georgia had established the legislative basis for competitive markets, in particular by deregulating prices and rescinding exclusive rights previously granted to certain economic agents, and through the abolition of restrictions on competition in certain activities. The new Anti-monopoly Law required the establishment of a State register of natural monopolies. According to this register, natural monopolies existed in the provision of postal services, distribution of frequency spectrum, railway transport, pipe line services (the State Company "Sakgazi"), high-voltage power transmission

(the State Company "Sakenergo"), air traffic control and dispatcher services (the State Company "Sakaeronavigatsia"), and in port services (the sea ports of Poti, Batumi and Sukhumi).

## FRAMEWORK FOR MAKING AND ENFORCING POLICIES

### Powers of Executive, Legislative and Judicial Branches of Government

27. The representative of Georgia said that the activities and scope of competence of executive, legislative and judicial authorities were regulated by the Constitution of Georgia, the Law "On Judicial System in the Republic of Georgia" of 28 December 1990, the Law "On Constitutional Court of Georgia" of 31 January 1996, the Law "On Constitutional Jurisprudence" of 21 March 1996, the Law "On Structure of Executive Power and Rule of its Activities" of 13 June 1997, and the organic Law "On General Courts".

28. The President of Georgia, the State Chancellery, ministries and other governmental institutions exercised executive powers. As head of State, the President of Georgia conducted and carried out the internal and external policies of the State, and ensured the functioning of governmental authorities in accordance with the Constitution. The President exercised executive power himself as well as through ministries and other governmental authorities and institutions. The State Chancellery was headed by the State Minister. The Government was a consultative body of the President of Georgia, and consisted of the State Minister and [20] Ministers. Each Minister was accountable before the President for his area of responsibility. The main ministries involved in the formulation and implementation of trade policy were the Ministries of Economy, Foreign Affairs, Trade and Foreign Economic Relations, and Finance. The President had created coordination bodies and advisory and consultative institutions to regulate relations among the entities of executive power.

29. Parliament was the highest representative body of the State according to Article 48 of the Constitution. It exercised legislative power and general control over the Government in the areas defined by the Constitution, and determined the main directions of domestic and foreign policy. The President submitted the structure of executive power and rules of its activities to Parliament for approval. Parliament meetings were public.

30. Georgia's court system exercised judicial power independent of the other branches of Government in accordance with the Constitution of Georgia of 24 August 1995, the Law "On Constitutional Court" of 31 January 1996, the Law "On Constitutional Jurisprudence" of 21 March 1996, the Law "On Judicial System in the Republic of Georgia" and the Law "On Arbitration Court in the Republic of Georgia" of 23 April 1991. The Constitutional Court ensured the primacy of the Georgian Constitution, constitutional legacy, and the protection of human constitutional rights and freedom. The Supreme Court of Georgia supervised the implementation of justice in law courts and considered cases determined by law by first instance. The Supreme Courts of the Abkhazian and Ajarian Autonomous Republics were the highest judicial bodies in these autonomous regions. The City Court of Tbilisi considered cases by first instance within the limits of its powers and supervised the activities of regional courts of Tbilisi. Regional (town) courts considered all cases of civil or criminal law or administrative infringements except cases under the jurisdiction of another court. The Procurator's Office implemented criminal legal prosecution and supervised enquiries and sentences. Georgia's arbitration court system had been abolished with the entry into force of the current Constitution of Georgia. Decisions or actions of customs bodies and their officials could be appealed in the courts of Georgia. The right of appeal in customs valuation matters would be regulated by the new legislative act on customs valuation.

31. Noting that the right of appeal of administrative decisions to an independent body was a critical component of the rule of law embodied in WTO provisions, a member requested Georgia to describe in detail the process of appeal to the judiciary for traders contesting administrative rulings by

executive agencies such as in the area of customs valuation, classification and duty, taxation of imports, standards and sanitary certification and inspection, application for import or export licences, measures taken against dumping and subsidized imports, and intellectual property protection.

32. The representative of Georgia replied that persons engaged in commercial activities could contest decisions by applying to the Court of First Instance in accordance with Article XI of the Civil Procedure Code. The Decisions of the Court of First Instance could be appealed to appellate courts. He added that, although the right of appeal was mentioned in specific laws and regulations (such as in regulations on customs valuation and rules of origin), Parliament was considering a general Administrative Procedure Act, providing for a general right of appeal of administrative decisions, including in the areas of business licensing, export and import licensing decisions, etc. Parliamentary approval of the new Act was expected in Spring 1999.

33. Parliament was responsible for ratification of international treaties, while the President of Georgia and the other executive authorities were responsible for implementation. Parliament adopted a resolution on accession to an international treaty by simple majority of its entire composition. Ratification by Parliament was required to complete the national procedures relating to WTO accession. The Ministry of Trade and Foreign Economic Relations had prepared a Presidential Decree on Managing the WTO Relationship which addressed the responsibilities of various government institutions in fulfilling Georgia's obligations vis-à-vis the WTO.

34. The hierarchy of normative acts in force in Georgia comprised: (i) the Constitution of Georgia and the Constitutional Law of Georgia; (ii) international treaties and agreements ratified by Georgia; (iii) the Organic Law of Georgia; (iv) Laws and Presidential Decrees; (v) Orders of the President of Georgia; (vi) Resolutions of the Parliament of Georgia; and (vii) Orders of a Minister or head of another central governmental authority of executive power. International agreements had direct applicability in the national legal system in accordance with Article 6 of the Constitution and Article 20 of the Law "On Normative Acts". Laws, regulations and administrative orders could be applied retroactively, but normative acts establishing or approving responsibilities could not be applied retroactively.

#### Authority of Sub-Central Governments

35. The representative of Georgia said that the principles of coordination between the executive, legislative and judicial authorities were determined by the Law "On Rules of Structure and Activities of Executive Authority" of 8 December 1995. Interim regulations "On Local Administrative Authorities in the Republic of Georgia", established by Decree No. 362 of the Head of State of Georgia of 16 September 1995, regulated the establishment of local authorities and the scope of their competence, their activities and relations with State authority and administration bodies, branch services, enterprises, institutions and organizations. State policy in the sphere of local administration was determined by Regulations of the Coordination Service of local administration and regional policy, adopted by Presidential Decree No. 107 of 6 January 1996. The service of local administration and regional policy was a State service accountable to the President of Georgia according to Presidential Decree No. 105 of 14 February 1997.

36. Local representative organs could levy local taxes and fees. Local taxes and fees were listed in the Law of Georgia "On Principles of Taxation System". He added that in accordance with Article 3 of the Constitution, Georgia's supreme national bodies had exclusive power to administer important trade-related areas, including customs, tariff regimes and foreign trade; standards and measurements, and sanitary measures at the border; State finances and loans, minting of money and legislation on banking, credit, insurance and taxes; legislation on intellectual property; and legislation on trade, criminal law, civil law, and administrative and labour law. The autonomous regions of Abkhazia and Ajaria were included in the customs territory of Georgia, but due to the

existing political situation in the autonomous republic of Abkhazia this region was not de facto under the jurisdiction of the Central Government at present, and the local authorities did not apply the national customs tariff and other taxes. Negotiations aimed at enforcement of national legislation in the former South Ossetian Autonomous Region were ongoing.

37. The representative of Georgia confirmed that Georgia would apply the WTO provisions, including Georgia's Protocol of Accession, uniformly throughout the entire customs territory controlled by the Georgian Central Government. He further confirmed that, upon accession to the WTO, Georgian Central Authorities would ensure that the laws, regulations and other measures of government entities at the sub-national level would conform to the obligations undertaken in its Protocol of Accession and the WTO Agreement, and would enforce them at the sub-national level controlled by the Central Government.

## POLICIES AFFECTING TRADE IN GOODS

### Trading Rights

38. The representative of Georgia said that all natural and legal persons, foreign or domestic, could engage in importation and exportation activities provided they were registered with the Taxation Department of the Ministry of Finance and with the State Department for Statistics. Parliament was considering [February 1999] a new draft law on business licensing. The [draft] law restricted the authority of Ministries to control business activity through licensing to circumstances involving safety, consumer protection, environmental protection, or national security issues. The law would apply equally to domestic and foreign-owned enterprises in Georgia.

39. The representative of Georgia confirmed that the former State monopoly in foreign trade had been abolished and that no restrictions existed on the right of individuals and enterprises to import and export goods into Georgia's customs territory, except as provided in WTO Agreements. He confirmed that individuals and firms were not restricted in their ability to import or export based on their registered scope of business and the criteria for registration were generally applicable and published in the official journal.

40. The representative of Georgia confirmed that from the date of accession Georgia would ensure that all its laws and regulations relating to the right to trade in goods, and all fees, charges or taxes levied on such rights would be in full conformity with its WTO obligations, including Articles VIII:1(a), XI:1 and III:2 and 4 of the GATT 1994 and that it would also implement such laws and regulations in full conformity with these obligations. [The Working Party took note of this commitment.]

### [Market Access Negotiations]

Georgia presented its initial offer on goods in February 1998 (document WT/ACC/SPEC/GEO/4). Revised offers on goods have been circulated in April 1998, September 1998 and December 1998 (document WT/ACC/SPEC/GEO/4/Rev.3). An electronic copy of Georgia's current HS tariff is available for consultation in the WTO Secretariat. According to Georgian estimates, the average weighted tariff in the initial offer equals 6.74 per cent (9.22 per cent for agricultural products and 5.38 per cent for manufactures).]



A. Import Regulation

Ordinary customs duties

41. The representative of Georgia said that customs duties were established according to the Law "On Customs Tariff and Duty" of 20 March 1998. Section III of the new Customs Code of 14 November 1997 also contained provisions regarding customs duties. Article 6 of Law No. 1316-II of "On Customs Tariff and Duty" of 20 March 1998 authorized the use of special tariffs and seasonal tariffs – for a period not exceeding six months in a year – to regulate trade in goods with particular variations in production or consumption. [The products subject to seasonal rates and the corresponding seasons had not yet been stipulated in Georgia's legislation.]

42. Georgia was using the 1996 version of the Harmonized System nomenclature as of 1 January 1998 in accordance with Decree No. 249 of 24 December 1997 of the Chairman of the Customs Department of Georgia. Tariff revenue amounted to 61 million Lari, collected on imports worth some 1.2 billion Lari (US\$ 930 million) in 1997, and 209.2 million Lari on imports worth US\$ 1,048.6 million in 1998.

[Customs tariffs were levied at the rate of zero, 5 per cent or 12 per cent. All customs duties were *ad valorem* rates, except for specific duties on certain types of cigarettes (until 1 September 1997). Most imports were taxable at 12 per cent, while the 5 per cent rate was applied to imported pharmaceuticals; capital goods, including spare parts and supplementary equipment; and specific goods used in production (listed in document WT/ACC/GEO/3, page 24). The average trade-weighted tariff amounted to 5.1 per cent in 1997.]

Other duties and charges levied on imports but not on domestic production

43. The representative of Georgia confirmed that, other than ordinary customs duties, Georgia levied no duties and charges on imports in the sense of Article II:1(b) of the GATT 1994. The Law "On Customs Tariff and Duty" of 20 March 1998 envisaged the imposition of seasonal or special duties, however, Georgia had never used these types of customs duties in practice.

Tariff rate quotas, tariff exemptions

44. The representative of Georgia said that tariff exemptions were authorized in accordance with the Law "On Customs Tariff and Duty" of 20 March 1998 (Article 19) for: (i) goods for export; (ii) re-exports (against payment of customs duty, subsequently refunded, or deposition of a bank guarantee or imported goods of equal value with the Georgian Customs Department); (iii) goods in transit; (iv) imported goods placed in customs warehouses (dutable upon withdrawal from the warehouse or under the terms of other customs regimes); (v) goods imported in relief due to natural disasters, accidents and catastrophes, or as humanitarian aid; (vi) goods financed by grants or concessional credits of a foreign governmental body or international organization, including a grant element of at least 25 per cent (defined by the Ministry of Finance); (vii) goods designated for official and personal use by foreign diplomatic and similar missions and their staff, and property imported from Georgia's diplomatic missions; (viii) goods imported temporarily into the territory of Georgia; (ix) imported raw materials and semi-finished products designated for the production of exported products, including packaging materials; (x) goods brought by natural persons to the value of up to 300 Lari, per entry, in accordance with a list defined by Resolution of the Parliament of Georgia No. 273-II of 13 June 1996; (xi) imports of wheat, baby food and baby hygiene products as well as diabetic products; (xii) imports of Georgian classical literature and literary, artistic or scientific works of Georgian citizens published abroad; (xiii) imported pharmaceutical products (16 products in accordance with a list approved by the Ministry of Finance, the Ministry of Health and

the Ministry of Food and Agriculture, enumerated in document WT/ACC/GEO/4, page 20); and (xiv) aviation fuel, lubricants and other combustibles in accordance with international aviation regulations.

45. The representative of Georgia confirmed that tariff exemptions, except those applied in the context of a customs union or free trade agreement, were applied on an MFN basis. Parliament could accord preferences under the Generalized System of Preferences, but this scheme had not yet been implemented.

#### Fees and charges for services rendered

46. The representative of Georgia said that fees for services rendered were established by Resolution No. 333 of 27 April 1993 of the Cabinet of Ministers and Decree No. 409 of the President of Georgia of 24 June 1996. These regulations would be superseded by a new Law on Customs Fees. Charges for veterinary border services were established in accordance with Article 37 of the Veterinary Law. Fees ranged from 70-120 Lari per consignment for imported goods, 60-110 Lari for goods in transit and 75-125 Lari for exported goods. The veterinary service could charge additional fees according to established price lists, for example on animal cargoes on suspicion of disease or for violation of transportation rules. A charge for quarantine services was imposed on cargo held in quarantine, including fumigation and storage.

47. A customs declaration fee equal to 0.3 per cent of the customs value was applied to all kinds of goods. Some Members pointed out that this *ad valorem* fee, although modest, did not conform to the requirements of GATT Article VIII. In reply, the representative of Georgia said that Georgia would revise its legislation to bring the customs declaration fee into conformity with Article VIII. The *ad valorem* rate would be reduced to 0.2 per cent on 1 April 1999, and reduced further to 0.15 per cent upon accession to the WTO. His authorities were considering the establishment of specific minimum and maximum levels of the fee.

#### Application of internal taxes to imports

48. The representative of Georgia said that caviar, alcoholic beverages, tobacco and tobacco products, petrol, tyres, jewellery and motor vehicles were subject to excise tax in Georgia. The list of affected products and the respective tax rates are enumerated in Table 2. Article 130 of the Tax Code stipulated the same tax rate for imported and domestic products. Excise taxes were applied at the border to imported goods at the moment of importation, and at the place of production (within 90 days of delivery or reimbursement) for domestic goods. Concerning the taxation of motor vehicles, he added that Georgia also charged owners of motor vehicles an annual tax to the benefit of the road fund, and motor vehicles were subject to a tax upon entry (including transit) into the territory of Georgia. Imported motor vehicles resold in Georgia were not subject to additional excise tax. The difference in taxation of petrol was maintained for ecological reasons.

49. Some members noted that excise taxes on alcoholic beverages differed widely, and asked Georgia to explain the rationale for this tax structure, and identify the kind of wines and spirits produced domestically. Georgia was requested to implement an excise tax regime that would meet the criteria of Article III of the GATT, conforming to the principles outlined in recent dispute settlement panels clarifying the scope of national treatment obligations in the application of excise taxes. The representative of Georgia replied that dry, semi dry and semi sweet grape wines accounted for 80 per cent of Georgia's production of alcoholic beverages, with sparkling wines (9 per cent), brandy (3 per cent), liqueur-vodka (6 per cent) and ethyl spirits (2 per cent) constituting the remainder. His Government recognized that certain aspects of its treatment of alcoholic beverages were not fully consistent with WTO rules. The system of customs duties, excise tax and VAT applicable to imported alcoholic beverages had accordingly been reviewed during Summer 1998 with

a view to reaching compliance with WTO requirements. Legislation equalizing excise tax rates for imported and domestically-produced goods had entered into force on 1 January 1999.

50. Some Members also noted the differentiation in taxation pertaining to tobacco and tobacco products. The representative of Georgia said that about 70 per cent of Georgia's production of cigarettes were of class 3 type, and 30 per cent cigarettes of tax class 5. His Government understood that the present system was not fully consistent with WTO rules. The taxation of imported tobacco products had been reviewed in Summer 1998 to bring the taxes into full compliance with WTO requirements. The excise tax differentiation for imported cigarettes would expire on 1 April 1999. The tax differentiation between high-quality and low-quality cigarettes was under review.

51. Georgia introduced excise stamps for cigarettes and alcoholic beverages on 1 February 1999. Detailed regulations governing the administration of the excise stamps had been elaborated. He confirmed that Georgia applied the excise stamps on tobacco and alcoholic beverages consistently to imported and domestic products without discrimination against imported products.

52. The representative of Georgia said that the Law On Value Added Tax, one of the constituent parts of Georgia's Tax Code, had been adopted by Parliament and entered into force on 1 September 1997. Value added tax was levied at a general rate of 20 per cent. VAT was applied to the wholesale price plus excises for domestic products, and the customs value, including import duty and excises, for imports. Exempt from VAT (Article 101 of the Tax Code) were postage stamps (except for collection); Georgian and foreign currency (except for numismatic purposes) and securities; valuables confiscated or with no known owner, and valuables inherited by the State; gold to be transferred to the National Bank of Georgia; imported books and journals on science, art and fiction written by Georgian citizens; school books approved by the Ministry of Education in agreement with the Ministry of Finance; goods given to State bodies of Georgia as humanitarian assistance or charity, or in relief of natural disasters, accidents, and catastrophes; goods provided as grants, approved according to a procedure specified by Presidential Decree; goods provided in the form of grants or concessional loans (minimum 25 per cent grant element) by bilateral or multilateral international organizations; medicines falling within HS Chapter 30 (an exact enumeration of exempted products is contained in document WT/ACC/GEO/4 pages 41-81); medical technology (HS codes 90.18-90.22); baby food; fixed assets and spare parts (HS Chapters 84, 85 and 90); goods in transit and temporary imports; re-imported goods; imports for official or personal use of staff of diplomatic and similar representative offices to the extent required by relevant international agreements; private imports of goods valued at less than the threshold amount for imposition of customs duty; goods processed abroad by the exporter of the raw materials; raw materials guaranteed by collateral for the purpose of processing and exportation; and goods intended for re-export, guaranteed by collateral.

53. Some members considered the VAT exemption for works of Georgian authors and Georgian classical literature published abroad to be inconsistent with Article III of the GATT. The representative of Georgia replied that his Government intended to abolish this provision and the issue would be discussed in Parliament during its Autumn session in 1998. Parliament would also examine a VAT exemption for religious items and construction materials currently only available to the Patriarchate of Georgia. The Tax Code of Georgia would be revised to ensure compliance with Article III of the GATT.

54. Concerning the taxation base for the imposition of excises and VAT, a member noted a provision in the tax code that the taxable transaction be the customs value of the goods, but not less than the "wholesale market price, excluding the excise and VAT" (Article 125(2)). In reply, the representative of Georgia noted that excise taxes on tobacco and alcoholic products were specific rather than *ad valorem* rates. He confirmed that the phrase "but not less than the wholesale market price" in the tax code would be deleted prior to accession, thus the basis for *ad valorem* excise taxes

on imported goods would be the customs value, determined in accordance with the Customs Valuation Agreement, plus the applicable tariff and other duties.

55. The representative of Georgia said that Georgia applied the destination principle in VAT taxation as from 1 September 1997. The VAT rate was accordingly identical for locally produced and imported products, including imported goods originating in other CIS countries (Article 124).

#### Quantitative import restrictions, including prohibitions, quotas and licensing systems

56. The representative of Georgia said that licences were required for importation of certain agricultural chemicals, wild animals and plants, medicines, arms, explosives, nuclear materials and tobacco products (Table 3). The licensing system was maintained to protect public health, safety and the environment, and was not intended to restrict the quantity or value of imports. Import permits were not required for food imports nor for imports from other CIS countries. [He confirmed that imports from CIS and non-CIS countries were subject to equal treatment.]

57. Licences were obtained from the Ministry of Trade and Foreign Economic Relations or the Ministry of Health Protection, with the consent of the relevant ministry or department. Any person, firm or organization could apply for an import licence. The decision to grant a licence should be taken within 5 working days from the date of registration of the application. The licensing fee amounted to 60 Lari (around US\$45), payable in advance. A licence was valid for the period fixed in the import contract, but not for more than one calendar year. The validity could be extended upon request. A licence could not be transferred to another importer. Asked to describe briefly the licence requirements for importation, production and sale of tobacco products, he referred to Presidential Decree N 391 "On Activities Addressing Regulation of Production, Import, Wholesale and Retail Trade in Tobacco Products in Georgia".

#### Customs valuation

58. The representative of Georgia said that instructions on the determination of customs value had been adopted by Resolution No. 843 of the Cabinet of Ministers of 5 December 1994. These instructions provided for six methods of valuation, of which the primary method was based on the transaction value. The Ministry of Economy had been responsible for preparing a list of goods subject to minimum import prices affecting 20 product groups, including alcoholic beverages, wheat flour, oil margarine, butter, frozen fish, sugar, juices, tomato paste, cigar tobacco and jewellery products. However, the minimum import price system was abolished in March 1998. Asked specifically about the use of world average prices in customs valuation, he confirmed that Article 5(6) of the 1996 Law on Customs Tariff had authorized such measures. However, the new Law "On Customs Tariff and Duty", adopted on 20 March 1998, contained no reference to world market prices in the valuation rules established in its Article 10.

59. Having reviewed Georgia's customs valuation legislation, a member noted that Georgia had not implemented in full the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (the Customs Valuation Agreement). According to this member, Georgia's laws and regulations failed to address the following critical areas: (i) the provisions for assists/"goods and services" found in Article 8 and the Interpretative Notes in Annex I to the Customs Valuation Agreement did not appear to be fully implemented; (ii) the royalty provision and proceeds of subsequent resale, disposal or use provision of Article 8 of the Customs Valuation Agreement were merged with the provision for assists/"goods and services"; (iii) the related party provisions in Article 1 and the Interpretative Notes in Annex I to the Customs Valuation Agreement did not appear to be fully implemented; (iv) Georgia did not provide for Article 4 of the Customs Valuation Agreement, allowing only the importer to reverse the order of use of deducted or computed valuation methods; (v) Georgia did not include the provision concerning objective and quantifiable data and no

additions other than those provided for to be included in the price actually paid or payable (Article 8(3) and (4)); (vi) Georgia did not include several prohibited methods of appraisal required by Article 7 of the Customs Valuation Agreement, as well as the obligation to inform the importer in writing of the method of appraisal used by Customs; (vii) the obligation to publish laws, regulations, etc. pursuant to Article 12 did not appear to be implemented; (viii) the Interpretative Notes in Annex I of the Customs Valuation Agreement did not appear to be fully implemented in Georgian law; (ix) Article 15(5) of the Customs Valuation Agreement concerning sole agent, sole distributor or sole concessionaire had not been implemented; (x) the Committee on Customs Valuation Decision 4.1 concerning the "Valuation of Carrier Media Bearing Software for Data Processing Equipment" had not been implemented; and (xi) the Committee on Customs Valuation "Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods" had not been implemented.

60. In reply, the representative of Georgia said that the Law "On Customs Tariff and Duty" (1998) provided for customs valuation of goods based on internationally recognized practices. New regulations had been prepared in accordance with the new Law "On Customs Tariff and Duty" in close cooperation with the Institutional Reform and Informal Sector (IRIS, USAID). These regulations were in full compliance with the relevant WTO Agreements. [The draft regulations were submitted to the Secretariat in July 1998.] The [draft] regulations [of 9 December 1998] had been revised to incorporate the contents of the Interpretative Notes to the WTO Valuation Agreement as well as the Decisions concerning the "Valuation of Carrier Media Bearing Software for Data Processing Equipment" and the "Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods" [formal issuance is pending].

#### Other customs formalities

61. The representative of Georgia said that the Customs Code contained rules of origin. Georgian legislation required indication of the country of origin of goods for both imported and domestic products. A certificate issued by the competent authority in the country of origin was necessary only for goods imported under preferential trade. CIS countries applied a uniform C-1 certificate, and had concluded an agreement on the general rules of determining the country of origin.

62. Detailed rules of origin had been laid down in the Decree "On Customs Tariff" of 21 October 1992. Origin criteria were based on the principles of wholly obtained or sufficient processing in another country. The wholly obtained criterion would typically be applied to minerals; plant products; livestock and livestock products; products of hunting, fishery and sea fishery; and secondary raw materials and wastes obtained from manufacturing and other operations. Sufficient processing was defined in terms of change of tariff position, the technology employed in the processing, or defined in accordance with established cost ratios. Mere storage and packaging, preparation, sorting, repackaging, simple assembly operations or mixing of goods (components) would not be considered sufficient processing.

63. The representative of Georgia said that the new Law "On Customs Tariff and Duty", adopted by Parliament on 20 March 1998, stipulated that Georgia's rules of origin should be based on international experience and established by legislative acts (Article 12, paragraph 4). New regulations on rules of origin had been prepared in close cooperation with IRIS (USAID) and would be promulgated by the Ministry of Finance. These regulations would be based on, and be fully consistent with, WTO requirements. [The draft regulations were submitted to the WTO Secretariat in July 1998; formal issuance of the regulations has been delayed.]

Preshipment inspection

64. The representative of Georgia said that Georgia had thus far not used preshipment inspection services and had no legal regulation on preshipment inspection. However, having examined proposals to improve customs collection in Georgia, his Government had decided to impose a preshipment inspection requirement on exporters. A tender to select a contractor had been issued in early 1999, and the target date for implementation was 1 April 1999. The Agreement on Preshipment Inspection and the Report of the Working Party on Preshipment Inspection (December 1997) had been translated into Georgian for use by the Ministry of Finance.

65. The representative of Georgia confirmed that his Government would ensure that the operations of preshipment inspection entities would be consistent with the relevant WTO Agreements, in particular GATT Article VIII, the Agreement on Preshipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994.

Anti-dumping, countervailing duties, safeguard regimes

66. The representative of Georgia said that Articles 10-13 of the Decree of the Council of State "On Customs Tariff" of 21 October 1992 contained provisions on the imposition of anti-dumping and countervailing duties. The level of anti-dumping or countervailing duty would be determined by the Customs-Tariff Council of the Government, following investigation and economic analysis carried out by the Ministry of Economy in collaboration with the Customs Department, the Ministry of Industry and the State Department for Statistics. However, this legislation had never been used.

67. He added that existing legislation would be replaced by provisions in the new Law "On Foreign Trade" which would provide the legal basis, in principle, for the imposition of special duties in connection with anti-dumping, countervailing or safeguard measures. However, the law would stipulate that measures could be taken only after implementing regulations consistent with the relevant WTO Agreements had been promulgated.

68. The representative of Georgia said that Georgia would not apply any anti-dumping, countervailing or safeguard measure until it had implemented appropriate laws in conformity with the provisions of the WTO Agreements on the Implementation of Article VI, on Subsidies and Countervailing Measures, and on Safeguards. In the elaboration of any legislation concerning anti-dumping duties, countervailing duties and safeguards, Georgia would ensure their full conformity with the relevant WTO provisions, including Article VI and XIX of the GATT 1994 and the Agreement on the Implementation of Article VI, the Agreement on Subsidies and Countervailing Measures and the Agreement on Safeguards. After such legislation was implemented, Georgia would only apply any anti-dumping duties, countervailing duties and safeguard measures in full conformity with the relevant WTO provisions. [The Working Party took note of these commitments.]

B. Export Regulations

Customs tariffs, fees and charges for services rendered, application of internal taxes to exports

69. The representative of Georgia said that all exporting legal and natural persons were required to register with the State Department for Statistics. The general State register was decentralized, i.e. the entrepreneur was included in the register of any regional statistical office after registration at the local court. The State register maintained no restrictions on registration.

70. As a general rule, Georgia did not apply customs duties on exports as exported or re-exported goods were exempt from customs duties. As of 1 September 1997, when the new Tax Code entered into force, Georgia imposed VAT according to the destination principle and all exports, including to

CIS countries, were zero rated. The regional customs offices performed customs clearance on all export cargoes, and charged an *ad valorem* fee of 0.3 per cent of the customs value of the cleared goods.

71. Effective 1 July 1998, exports of scrap metal became subject to special duty in accordance with the Law on Regulation of Export and Re-export of Scrap and Waste of Black and Coloured Metals. The special duty has been set at 475 Lari per ton for copper, 320 Lari per ton of aluminium, and 28 Lari per ton of other metal scrap.

#### Export restrictions

72. The representative of Georgia said that Georgia maintained some export prohibitions or restrictions to protect public health, consumer welfare, the national environment, the national patrimony and national security. The prohibitions or restrictions were applied equally to exports to all countries. Exportation of arms and gunpowder, artwork and antiques of museum value was prohibited. The items subject to export prohibition or licensing are enumerated in Table 4. Exports of timber (logs) were licensed to ensure the ecological balance in Georgia's forests and optimal use of forestry resources in accordance with Law No. 1469-IIs "On Regulating the Consumption of Forests on the Territory of Georgia" of 25 June 1998. Exports of Caucasian Fir seeds were also subject to licensing.

73. Export licences were issued by the Ministry of Trade and Foreign Economic Relations, except for medicines and medical supplies (Ministry of Health Protection). Licences were granted within 5 working days from the date of registration of the application. A licence was valid for the period stipulated in the export contract; maximum one year. The validity of a licence could be extended upon request. A licence could not be transferred to another exporter. The licensing fee amounted to 60 Lari for exports to all countries.

74. Some members noted restrictions on exports of ferrous and non-ferrous scrap metal and unprocessed timber, and stated that these appeared to violate Article XI of the GATT 1994. Georgia was requested to revise the restrictions and bring them into conformity with WTO provisions prior to accession, or according to a time-table agreed with WTO Members. In reply, the representative of Georgia said that a prohibition on export of scrap metal had been lifted in June 1998, and replaced by licensing and payment of special duty. A special licensing fee of 60 Lari per cubic metre of timber, which had been introduced in March 1998, had also been terminated in June 1998. Export licences would be granted for all types of logs cut in conformity with the requirements of the State Forest Department.

#### Export subsidies

75. The representative of Georgia said that Georgia maintained no export subsidies. Other than ordinary bank loans, no official or other export financing facilities were available for exporters.

76. Imported raw materials and semi-manufactured goods used in the production of goods for export were exempt from customs duties according to Law No. 1316-IIs "On Customs Tariff and Duty" of 20 March 1998. Raw materials and semi-finished goods imported under the existing import duty drawback scheme were physically incorporated in the exported goods. Import duty was paid at the time of importation and subsequently refunded upon exportation of the processed goods. Alternatively, the manufacturer could provide a bank guarantee for the amount of duty due. Imported inputs used in exported goods were also exempt from VAT. He confirmed that the amount of duty drawback on exports of finished goods did not exceed the original duty paid on the imported raw materials and semi-manufactured inputs.

### C. Internal Policies Affecting Foreign Trade in Goods

#### Industrial policy, including subsidies

77. The representative of Georgia said that the general objective of Georgia's economic policies was to create a market economy through privatization of publicly-owned commercial enterprises, deregulation of prices and foreign investment. State-owned enterprises no longer received subsidized credits from the banking system or the Government, but some enterprises had covered their losses by running arrears on payments of taxes, wages and energy supplies. He identified the 12 largest loss-making State enterprises to be the Rustavi's "Azoti", the electromechanical factory at Kutaisi, Rustavi's "Kimbochko", the joint-stock company "Maudi", the automobile plant at Kutaisi, the Poti shipyard, "Metsi", "Orioni", the manufacturer of agricultural machinery "Lilo", the joint-stock company "Metei", the turbine plant of Mtskheta "Tolia", and the paper mill in Tbilisi. The Government intended to privatize these enterprises, but their privatization had proved difficult.

78. The representative of Georgia confirmed that Georgia did not maintain subsidies including export subsidies which met the definition of a prohibited subsidy, within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures and that it would not introduce such prohibited subsidies in the future.

79. The representative of Georgia confirmed that any subsidy programmes would be administered in line with the Agreement on Subsidies and Countervailing Measures and that all necessary information on programmes to be notified, if such exist, would be provided to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement upon entry into force of Georgia's Protocol of Accession. [The Working Party took note of this commitment.]

#### Technical barriers to trade, sanitary and phytosanitary measures

##### Standards and certification

80. The representative of Georgia said that the Laws "On Standardization" and "On Certification of Products and Services" constituted the basic legal framework for activities in this area. The Ministries of Construction and Urbanisation, Protection of Environment and Natural Resources, Health Protection and other departments ensured product safety requirements, construction norms and regulations, and sanitary norms and regulations. The State Department of Georgia for Standardization, Metrology and Certification ("Sakstandarti") was the national body of standardization, metrology and certification in Georgia. "Sakstandarti" operated centres working on standardization, metrology and certification in Tbilisi and seven provincial cities, and State supervision of standard requirements and metrology norms was carried out by "Sakstandarti" through its local organizations. "Sakstandarti" was a member of the Interstate Council of Western Countries for Standardization, Metrology and Certification, and had become a correspondent member of the International Organization for Standardization (ISO) on 1 January 1998.

81. Mandatory intergovernmental (GOST) standards of the CIS countries were used widely in Georgia, but Georgia intended to move gradually from the use of old State standards to the use of new international standards for food products; environmental protection; and labour, consumer and industrial product safety. The timetable for this conversion depended on funding of work in the sphere of standardization.

82. Georgia required a certificate of conformity issued by "Sakstandarti" and, depending on the product, a hygienic certificate from the Ministry of Health Protection. A list of imported products subject to mandatory certification is provided in Table 5. He added that Georgian standards and certification requirements were not intended to distort trade or establish technical barriers to trade.



Domestically-produced and imported goods, regardless of country of origin, complied with the same requirements on standards and certification. "Sakstandarti" had introduced a system of certification and documentation to eliminate technical obstacles in trade. Georgia would recognize product certificates of third countries provided the products were imported through a country with a certification system recognized by Georgia. The Ministries of Health Protection and Agriculture and Food were actively involved in the certification procedure, in particular in testing health, hygiene and veterinary products, and the certification of bread. Food safety standards and requirements and labelling requirements were laid down in the Law "On Protection of Consumers' Rights" (Chapter 1, Article 6). The Ministry of Protection of Environment and Natural Resources and the State Inspection for Technical Supervision were involved in certification related to environmental protection and safety of technical processes. Documentation had been harmonized with analogous European documents, and Western countries had recognized 55 certification bodies and 78 testing laboratories established in educational, research and other departments with the assistance of "Sakstandarti".

83. Some members noted that Georgia's legislation and practices in the area of standards did not meet the requirements of the Agreement on Technical Barriers to Trade (the TBT Agreement). Georgia was requested to complete a "Statement of Implementation" on technical barriers to trade and to provide specific information on the move from domestic to international standards; the provision of an operational enquiry point; acceptance of the TBT Code of Good Practice by Georgia; information on the procedure and terms for issuing certificates of conformity, including fees, required documentation, sampling, etc.; the use of manufacturers' certification; the adoption of a national post-market surveillance system; and the replacement of mandatory standards with voluntary standards. Georgia should outline the specific deficiencies vis-à-vis WTO provisions in this area, and indicate a schedule for achieving compliance. A member sought a commitment from Georgia to abide by the requirements outlined in the Agreement on Technical Barriers to Trade as of the date of WTO accession, and confirmation that Georgia's certificate of conformity requirements were not related to the establishment of additional barriers to trade.

84. The representative of Georgia replied that "Sakstandarti" was working closely with the Georgian-European Policy and Legal Advice Centre (GEPLAC) to bring Georgia's standards legislation in compliance with the TBT Agreement. A Presidential Decree "On Measures Implementing the Requirements of the WTO Agreement on Technical Barriers to Trade" had been adopted on 5 December 1998. This Decree contained a detailed action plan and time-frame for implementation by the relevant authorities. The TBT enquiry point had been established under "Sakstandarti", and work was going on to bring this enquiry point into full compliance with the TBT Agreement. "Sakstandarti" had also established a publishing house ("Standarti") which issued information bulletins, standard catalogues and other materials related to standardization, metrology and certification. "Sakstandarti" thus provided publication of draft standards and other measures for prior comment.

#### Sanitary and phytosanitary measures

85. The representative of Georgia said that Georgia had revised its quarantine requirements and adopted new legislation including the Law "On Protection of Plants from Harmful Organisms" of 14 October 1994, the Law "On Agricultural Quarantine" of 15 May 1997, and a new Veterinary Law reflecting the standards established by the Office International des Epizooties (OIE). The new Law "On Foreign Trade" also required sanitary and phytosanitary measures to conform with the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement). A new law on phytosanitary controls reflecting international standards established by the European Plant Protection Organization had been submitted to Parliament.

86. Concerning relations with relevant international organizations, he said that Georgia had applied for membership in the joint FAO/WHO Food Standards Programme-Codex Alimentarius Commission on 17 October 1997. Georgia also intended to join the International Convention on Plant Protection and the European and Mediterranean International Plant Protection Organization. Georgia's Veterinary Department received information from the Office International des Epizooties (OIE) concerning diseases existing in various countries in the world and assessed the risks regarding dangerous infectious diseases on the basis of this information.

87. The representative of Georgia stated that Georgia's sanitary and phytosanitary standards were intended solely for the purpose of protecting the health of human, animal and plant life, and not to create technical barriers to trade or to protect domestic producers. Compliance with Georgia's regulations was determined by the State Sanitary Service and Department of Hygiene under the Ministry of Health Protection; the Sanitary, Quarantine and Supervision Department of the State Inspection on Plant Quarantine; and the Department of Veterinary under the Ministry of Agriculture and Food, in cooperation with the Border Veterinary, Sanitary and Phytosanitary Service.

88. The State Border Veterinary Supervision Inspection checked all imports of live animals, meat and fish, animal and fish products, animal fodder and feed supplements and veterinary preparations. A licence from the State Inspection of Plant Quarantine was required for importation, re-export or transit of goods covered by plant quarantine regulations. Traded goods covered by quarantine regulations included agricultural products, timber, seeds and seedlings, plants and plant parts, and plant products that could carry infectious diseases; hides and unprocessed wool; mushrooms, bacteria, viruses, nematodes and insects on living cultures; collections of insects, which could bring plant diseases; herbaria and seed collections; agricultural machinery, aggregates for land development, vehicles, vessels, packaging materials and industrial plants; and soil samples which could carry plant diseases. Preshipment inspection, leading to an international veterinary certificate, should be carried out where appropriate. Importation of commodities of plant origin and other items subject to quarantine required a phytosanitary certificate issued by the quarantine service of the exporting country as well as a certificate on the condition of the commodity delivered by the relevant division of Georgia's Ministry of Food and Agriculture (Article 8 of the Law on Agricultural Quarantine). Infested or infected shipments which could not be disinfected would be returned to the country of origin or destroyed with the owner's consent. The representative of Georgia provided detailed information on procedures followed in implementing Georgia's sanitary and phytosanitary regime, requirements for imported animal and plant products, and a list of all quarantine pests in document WT/ACC/GEO/4, pages 99-110.

89. Some members noted that Georgia's legislation and practices covering SPS measures appeared not to meet the requirements of the SPS Agreement. Georgia was asked to provide further information on ongoing efforts to bring its SPS legislation into conformity with the SPS Agreement, including additional steps to be taken, a time-frame for implementation, and details on any problems Georgia might have with implementation of the SPS Agreement upon accession. A member sought a commitment from Georgia to abide by the requirements outlined in the SPS Agreement as of the date of accession to the WTO, adding that the establishment of a certification system for imports that did not present unnecessary barriers to trade prior to accession would be a fundamental factor in completing Georgia's accession process.

90. The representative of Georgia replied that Georgia was working closely with GEPLAC (the Georgian-European Policy and Legal Advice Centre) and the Institutional Reform and Informal Sector (IRIS) to identify the specific aspects of the SPS Agreement not covered by Georgia's existing regime. A detailed plan had been prepared on steps to bring Georgia's SPS procedures into conformity with WTO requirements. An Interministerial Coordinating Body for SPS Implementation (ICB) had been formed and Georgia had also established the SPS enquiry point, as

required by the WTO. The Interministerial Coordinating Body was chaired by the Deputy Minister of Agriculture responsible for international issues, and included a working-level body with representation from each agency concerned. The enquiry point had been fully operational as of July 1998.

#### Trade-related investment measures

91. The representative of Georgia stated that Georgia maintained no measures inconsistent with the Agreement on Trade-Related Investment Measures (TRIMs) at present, and Georgia was ready to undertake the obligations of the TRIMs Agreement upon accession to the WTO.

92. The representative of Georgia said that Georgia would not maintain any measures inconsistent with the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transitional period. [The Working Party took note of this commitment.]

#### State-trading entities

93. The representative of Georgia said that all public sector monopolies for the supply of goods and services had been eliminated, and there were no parastatal or government-mandated private sector monopolies in Georgia. Remaining State-owned enterprises had no access to preferential State funding, and acted purely on the basis of commercial considerations in a non-discriminatory manner consistent with Article XVII of the GATT 1994. No Georgian enterprise carried special or exclusive privileges in the production of any good or service. At present, Georgia did not operate any State enterprise or agency, or authorized any other firm, to purchase domestic and/or imported agricultural products for export or domestic distribution. Accordingly, Georgia maintained no State-trading enterprises as defined by GATT Article XVII and the Understanding on the Interpretation of Article XVII of the GATT 1994.

94. The representative of Georgia confirmed that his Government would apply its laws and regulations governing the trading activities of State-owned enterprises and other enterprises with special or exclusive privileges in full conformity with the provisions of the WTO Agreement, in particular Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS. He further confirmed that Georgia would notify any enterprise falling within the scope of Article XVII. [The Working Party took note of these commitments.]

#### Free zones, special economic areas

95. The representative of Georgia said that his Government planned to establish free economic zones in Poti and Batumi following the adoption of the appropriate legal basis for the creation of such zones. However, Parliament had rejected the draft law on free economic zones.

#### Government procurement

96. The representative of Georgia said that government procurement, whether by a ministry, agency or other governmental body, was carried out by competitive tender under Presidential Decree No. 162 of 11 February 1996 and the Cabinet of Ministers' Resolution No. 264 "On Delivery of Products and Goods for State Needs of the Republic of Georgia" of 30 March 1993. The main entities involved in government procurement were the Ministry of Defence, the Ministry of State Security, the Ministry of Internal Affairs, and the State Department of State Border Protection. Government procurement was carried out in a non-discriminatory manner between domestic and foreign suppliers, except for procurement of certain types of goods for the armed forces, in which case the participation

of foreign companies was restricted. No statistical data was collected on government procurement in Georgia.

97. Parliament had adopted a new law on government procurement based on the UNCITRAL model law, and prepared in close cooperation with GEPLAC (Georgian-European Policy and Legal Advice Centre) in December 1998. The Law would be amended to ensure full compatibility with the Agreement on Government Procurement.

98. The representative of Georgia said that Georgia intended to join the Agreement on Government Procurement. Some members were very pleased to note this and requested Georgia to submit an entity list to initiate the negotiations within three months of Georgia's accession to the WTO, with the understanding that negotiations would be completed within one year after that.

99. The representative of Georgia confirmed that Georgia will initiate negotiations for membership in the Agreement on Government by [date] by tabling an entity offer. He also confirmed that, if the results are satisfactory to Georgia and the other members of the Agreement, Georgia will complete negotiations for membership in the Agreement by [date]. [The Working Party took note of this commitment.]

#### Transit

100. The representative of Georgia said that goods transported through the territory of Georgia were exempt from customs duty, VAT and excise taxes.

101. [The representative of Georgia confirmed that his Government would apply its laws and regulations governing transit operations and would act in full conformity with the provisions of the WTO Agreement, in particular Article V of the GATT 1994. The Working Party took note of this commitment.]

#### Agricultural policies

[Information on domestic support and export subsidies in agriculture was circulated in document WT/ACC/SPEC/GEO/2 on 28 November 1997. Georgia has provided additional information on domestic support and export subsidies in document WT/ACC/SPEC/GEO/2/Add.1 of 10 June 1998, and document WT/ACC/SPEC/GEO/2/Add.2 of 6 October 1998.]

102. The representative of Georgia said that imports of agricultural products were subject to tariffs (zero, 5 or 12 per cent) and sanitary and phytosanitary measures. No other border measures were applied to agricultural goods. There was no special export regime applicable to agricultural goods, no export credits other than those available from commercial banks, and no system of export credit guarantees or insurance cover arranged by the Government.

103. Concerning internal policies, he said that his Government was cooperating with multilateral and bilateral organizations to transform the collective agricultural system to a market-based system. Programmes included land reform, privatization of farms and agro-industry, the establishment of competitive markets in distribution services, and the development of research, education and extension services. With the assistance of European Communities counterpart funds (CPF), the Government provided - through the commercial banking system - short term working capital to traditional suppliers of inputs of fertilizers, seeds, and energy products, as well as to grain producers and traders. The Government did not engage in agricultural subsidies through price support, direct payments to farmers or in subsidized credit arrangements, other than to grape producers. No budgetary resources were available to assist the residual State farms sector. The Government did not provide any export subsidies.

104. The representative of Georgia confirmed that Georgia would bind its agricultural export subsidies at zero.

[to be completed]

#### Trade in civil aircraft

105. The representative of Georgia said that Georgia maintained a duty-free regime for the importation of aircraft parts and other supporting equipment used in international transportation. Georgia intended to join the Agreement on Trade in Civil Aircraft upon accession to the WTO.

106. The representative of Georgia [said that Georgia would implement the Agreement on Trade in Civil Aircraft without exceptions or transitional period at the time of accession. The representative of Georgia] confirmed that Georgia would become a signatory to the Agreement on Trade in Civil Aircraft upon accession to the WTO[, however, Georgia was requesting a five-year staging period for full implementation of the Agreement]. [The Working Party took note of this commitment.]

#### Textiles regime

107. A member asked whether Georgia would notify any quantitative restrictions on its exports of textiles to the Textiles Monitoring Board.

108. The representative of Georgia said that Georgia did not maintain any quantitative import restrictions on textile and clothing products. According to an Agreement with the European Communities (1993), Georgia's exports of textile and clothing (HS Chapters 50 to 63) could become subject to quantitative restrictions in the European Communities' market if the exported volume exceeded 0.35 to 4 per cent, depending on the product, of total Community imports in the previous year. The Agreement also contained provisions against Georgian exports of textile products at prices "...abnormally lower than the normal competitive level". However, these provisions had never been invoked, and the quantitative limits had not been applied.

### TRADE-RELATED INTELLECTUAL PROPERTY REGIME

#### General

##### Industrial property protection

109. The representative of Georgia said that the protection of intellectual property rights was an essential element of Georgia's economic policy. Intellectual property rights were inviolable according to Article 23 of the Constitution. The system of intellectual property protection in Georgia was designed to comply with the requirements of leading multilateral treaties in this field, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement), the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works.

##### Responsible agencies for policy formulation and implementation

110. The representative of Georgia said that Georgian National Intellectual Property Center (Sakpatenti) was responsible for matters involving industrial property (inventions, utility models, industrial designs, trade marks, service marks), and would also become also responsible for matters involving appellations of origin and layout designs of integrated circuits. The Copyright Agency dealt with matters involving copyrights and neighbouring rights, and the Ministry of Agriculture was responsible for matters involving plant variety protection.

Participation in international intellectual property agreements

111. The representative of Georgia said that Georgia was a member of WIPO and a party to the Paris Convention for the Protection of Industrial Property (18 January 1994); the Patent Cooperation Treaty (18 January 1994); the Berne Convention for the Protection of Literary and Artistic Works (15 May 1995); and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (20 August 1998). Georgia intended to join the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961); the Budapest Treaty on the International Recognition on the Deposit of Microorganisms for the Purposes of Patent Procedure; and UPOV (Geneva Act, 1991). Georgia had concluded a bilateral agreement with Uzbekistan on cooperation in the field of industrial property protection in 1996, and an agreement on cooperation between the patent offices of Georgia and Austria. Georgia had also concluded bilateral agreements with Kazakstan, the Russian Federation, Moldova, Belarus, and Italy on mutual protection of copyright and neighbouring rights.

Application of national and MFN treatment to foreign nationals

112. The representative of Georgia said that Georgia granted national treatment in accordance with the Paris Convention for the Protection of Industrial Property to nationals of signatory States of the Convention (Statute On Inventions, Statute On Industrial Designs, Statute On Trademarks) and national treatment for the protection of copyright under the Berne Convention. According to Article 1018 of the Civil Code copyright was extended to works protected by those international agreements to which Georgia was a party. Georgia would grant national and MFN treatment to Members of the WTO upon accession to the WTO.

Fees and taxes

113. The representative of Georgia provided information on State fees for patenting inventions, utility models, industrial designs, and for registration of trade marks (document WT/ACC/GEO/3, page 42). There were no fees for the protection of copyrights. Fees for other areas of intellectual property rights had not been established so far.

Substantive Standards of Protection, Including Procedures for the Acquisition and Maintenance of Intellectual Property Rights

Copyright and related rights

114. The representative of Georgia said that Georgia provided copyright protection under Book 4, section 1 of the Civil Code. The provisions of the Civil Code on copyright would be supplemented by a new law on copyright and neighbouring rights [submitted to Parliament for its Autumn 1998 session, first hearing in Parliament in April 1999]. The Copyright Law of Georgia had been prepared on the basis of the WIPO model law.

115. The Civil Code (Article 1017) protected the moral and economic rights of authors, and neighbouring rights connected with performers, producers of phonograms and broadcasting organizations. The rights of performers, producers of phonograms and broadcasting organizations were defined in Articles 1056 to 1069. Computer program issues were regulated in Articles 1021, 1038, 1044 and 1045. Protection did not depend on any kind of formal procedure nor on the level of protection in the country of origin. The term of protection began from the moment of creation of the work and lasted 50 years beyond the death of the author according to the Civil Code, Articles 1062 (duration), 1063 (validity) and 1508 (application of copyright law norms on pre-existing works). Article 1045, which should be read together with Articles 1039, 1040 and 1041, provided for the authors' rights concerning cinematographic adaptation or reproduction envisaged in Article 14 of the

Berne Convention. The limitations and exceptions on the rights of authors stipulated in Articles 1050 through 1061 were confined to cases which did not conflict with normal exploitation of the work and did not unreasonably prejudice the right holder's legitimate interests.

116. Article 6.1(k) of the [draft] law on copyright and neighbouring rights defined as objects of copyright: (i) literary works (books, brochures, articles, computer programs, etc); (ii) drama or musical-dramatic works, choreographic, mime, and other theatrical works; (iii) musical works, with or without text; (iv) audio-visual works (movies, television and video films, etc.); (v) sculptures, paintings, and architectural, graphic, lithographic and other work of visual art; (vi) pieces of decorative-applied and monumental art; (vii) pieces of theatrical-decorative art; (viii) photographic works, and works created by means analogous to photography; (ix) maps, plans, sketches, illustrations and other three-dimensional works belonging to geography, photography or other sciences; (x) derivative works (translations, interlines of fictions, adaptations, reviews, dramatisation, compilation, musical arrangement, and other kinds of derivation of pieces of art); and (xi) collection of works or data, such as encyclopaedia, anthologies, data bases, and other composite works, which, according to selection and disposition of materials, represented results of intellectual creative activity, and other works.

117. The [draft] law on copyright and neighbouring rights included specific provisions on economic rights (Article 16), the rights of producers of phonograms (Article 39), the rights of producers of videograms (Article 40), the distribution of phonogram and videograms (Article 41), and the rights of broadcasting organizations (Article 42), as well as certain provisions which were not reflected in the Civil Code, for example on rental rights in respect of computer programs, cinematographic works and phonograms (drafted on the basis of the EC Directive of 14 May 1991 on the Legal Protection of Computer Programs), and cable transmission rights (Article 16(g)). In these cases, the Civil Code would be amended following Parliament's adoption of the new law on copyright and neighbouring rights.

118. A court could order confiscation of copies of counterfeit works and phonograms and the materials and equipment needed for their reproduction, which would be handed over to the right-holder or destroyed. Counterfeit copies of works and phonograms, obtained by third parties in good faith, were not subject to confiscation (Article 1098).

Trademarks, including service marks

119. The representative of Georgia said that the existing legislation on trademarks - the Statute on Trademarks of 16 March 1992 – would be replaced by a new Law "On Trademarks", adopted by Parliament on 5 February 1999 and entering into force in Summer 1999. The new Law was based on the standards of the TRIPS Agreement and the European Communities Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community Trade Mark, as amended by Council Regulation (EC) No. 3288/94 of 22 December 1994 for the Implementation of the Agreement Concluded in the Framework of the Uruguay Round.

120. The Law defined a trademark as a sign or a combination of signs which could be expressed graphically and was capable of distinguishing the goods and/or services of one enterprise from those of another. A sign could be a word; integrity of words (including personal name, letters and numerals); figure; design sound mark; or three-dimensional configuration, including the shape of goods or their packaging as well as colours and combination of colours. The exclusive rights of the trademark owner, the scope of protection, and the scope of the exclusive rights were enumerated in Articles 6 and 7 of the Law.

121. Protection of a trademark was acquired through registration with the Georgian National Intellectual Property Center "Sakpatenti". The substantive examination of a trademark should be effected within 8 months from the date of filing with Sakpatenti. Decisions regarding trademark registration could be challenged in the Chamber of Appeal, and the decision of the Chamber of Appeal could be appealed before a court.

122. Registration of a trademark did not depend on use, but a trademark registration could be cancelled after 5 years of continuous non-use in Georgia according to the Law. Service marks were protected in the same way as trademarks, and Georgian legislation protected well-known marks. Well-known marks were protected without registration by virtue of Article 6 *bis* of the Paris Convention according to Article 3.4 of the Trademark Law. Georgian legislation referred to the Paris Convention on the Protection of Industrial Property (Article 6 *bis*) for the definition of a "well known" mark. Specific criteria would be determined by the courts should such a case arise. The requirement of Article 16.1 of the TRIPS Agreement that the law should presume confusion where an identical mark was used without authorization on identical goods and services was addressed in Article 5(1) and 6.2 of the Law. Article 6 of the Law extended the protection to similar signs for similar products. Article 16.2 and 3 of the TRIPS Agreement were implemented through Article 6.4 of the Trademark Law.

123. A trademark certificate was valid for an initial term of 10 years from the date of registration, and could be renewed indefinitely for additional periods of 10 years. Agreements to transfer or licence a trademark needed to be registered with Sakpatenti to have juridical force.

#### Geographical indications, including appellations of origin

124. Some members asked about the status of protection of geographical indications, including appellations of origin in Georgia, noting that the Statute of Trademarks was deficient in a number of areas with respect to Articles 22 to 24 of the TRIPS Agreement. In particular, Article 22.3 of the TRIPS Agreement required a Member to refuse to register or invalidate registrations containing geographical indications except in instances in which such marks had been used continuously for at least 10 years or in good faith before 15 April 1994, and the TRIPS Agreement stipulated protection against use of geographical indications even when literally true but which falsely represented that the goods originated in another territory; protection, with certain exceptions, of appellations of origin for wines and spirits even against use accompanied by expressions such as "kind", "type", "style", etc; and refusal or invalidation, with certain exceptions, of trademark registrations containing geographical indications for wines and spirits if they did not originate in the place named.

125. The representative of Georgia replied that geographical indications as such were not protected in Georgia. However, the Georgian National Intellectual Property Center had prepared a Law "On the Protection of Appellations of Origin and Geographical Indications" based on Articles 22 to 24 of the TRIPS Agreement and European Communities Council Regulation (EC) No. 2081/92 of 14 July 1992. The draft law had been submitted to ministries and departments for comment, and their remarks were currently being reviewed. Article 5.5 of the Trademark Law stipulated that a trademark should not be registered if identical or similar to an appellation of origin or geographical indication protected in Georgia. This provision covered wines and spirits as well as other products.

#### Industrial designs

126. The representative of Georgia said that industrial designs were protected by granting of a patent under the Statute on Industrial Designs of 16 March 1992. The new patent law, adopted by Parliament on 5 February 1999, would regulate the protection of industrial designs in Georgia upon its entry into force in Summer 1999. Applications for registration were filed with "Sakpatenti", which



granted patents to industrial designs considered novel, original and industrially applicable. The term of validity of the patent was 15 years from the date of filing of the application. A licence agreement could be registered with "Sakpatenti". Any person engaged in non-authorized use of an industrial design could be ordered to suspend its use and the owner of the patent could claim damages. Neither the Statute on Industrial Designs nor the patent law contained any special requirements regarding the protection of textile designs.

#### Patents

127. The representative of Georgia said that patents were regulated by the Statute on Inventions of 16 March 1992, which would be replaced by a new Patent Law entering into force in Summer 1999. The Georgian National Intellectual Property Center "Sakpatenti" granted patents for inventions which were considered novel, involved an inventive step, and were industrially applicable. The term of a patent was 20 years from the date of filing of the application.

128. Patents would not be granted for surgical, therapeutic and diagnostic methods of treatment of people and animals; species of plants and animals, and particular biological methods for breeding plants and animals; or inventions which could provoke or encourage inhumane, immoral and/or anti-social actions. Discoveries, scientific theory, or mathematical methods; results of artistic work; computer algorithms and programs; intellectual implementation methods, including education and training methods; organizational and management methods; industrial design and diagrams for planning of buildings, constructions and territories; and presentation of information would not be regarded as inventions.

129. According to the Patent Law, the patent owner had the exclusive right to use or dispose of an invention at his discretion, to make a product protected by the patent, to place the object in commerce, and to derive income from its use. The patent owner could sell or otherwise alienate a patent, or grant a licence. Non-exclusive compulsory licences could be granted after 4 years of patent issuance upon the request of any interested persons (Article 73). Importation satisfied the "use" requirement under Georgian law. Disputes regarding the granting of compulsory licences, or partial or full annulment of a patent, could be subject to judicial review (Article 84). The issue of shifting the burden of proof (Article 38 of the TRIPS Agreement) was addressed in Article 60 of the Patent Law.

#### Plant variety protection

130. The representative of Georgia said that the Law on Protection of Selection Achievements protected plant variety and animal breeders by granting a certificate. The certificate confirmed the exclusive right of its holder on selection achievement. The Law had been prepared according to the standards of the UPOV Convention (1991).

#### Layout designs of integrated circuits

131. The representative of Georgia said that the Patent Office of Georgia was preparing a draft law on protection of layout designs of integrated circuits. [The draft Law will be submitted to Parliament for its Autumn 1999 session.]

#### Requirements on undisclosed information, including trade secrets and test data

132. The representative of Georgia said that the Law "On Monopolistic Activity and Competition (Article 9.7) prohibited the collection, use and/or distribution of trade-related information or commercial secrets without consent of the proprietor. The Law did not, however, define the terms "trade-related information" or "commercial secrets" precisely. Commercial secrets were defined and protected by Article 1105 of the Civil Code. According to a Presidential Decree of 24 January 1994

information regarded as State secrets included “information on licences to be sold or purchased, technological processes, technical documentation on equipment models, purchases of foreign patents and technical documentation, licensing conditions of specific domestic inventions, and scientific or technical achievements”.

133. Georgia's law did not contain any express provision protecting test data for pharmaceuticals and agricultural chemicals, but relevant legislation was expected to be prepared and enacted in 1999. Agricultural products were tested and registered by the Plant Protection Department of the Ministry of Foods and Agriculture. Test data and other data were protected and not subject to disclosure until registration. Pharmaceutical products were tested by the Ministry of Healthcare. Applications were registered and marked "for internal use only", and could not be copied or disclosed to outside persons.

#### Measures to Control Abuse of Intellectual Property Rights

134. The representative of Georgia said that the State Anti-monopoly Service was authorized to take measures against acts of unfair competition according to Article 21 of the Law "On Monopolistic Activity and Competition". The Service could initiate court proceedings, requesting the cessation or prohibition of activities violating Georgia's anti-monopoly legislation, and raise the issue of administrative and criminal liability.

#### Enforcement

##### Civil judicial procedures and remedies

135. The representative of Georgia said that the Code of Civil Procedure, which would enter into force on 20 May 1999, stipulated that intellectual property cases was under the jurisdiction of circuit courts. The judicial authorities could order a party to desist from an infringement. The Statute on Trademarks (Article 44) [Article 45.2 of the Law on Trademarks] allowed the holder of a trademark whose rights had been violated to file a civil suit requesting the defendant to cease the infringing activities, order destruction of all materials obtaining the registered trademark or copy, and to claim damages. The infringer could also be fined or imprisoned. Persons engaged in non-authorized manufacture of patented inventions were liable to payment of indemnity and a fine under the Statute of Inventions.

##### Provisional measures

136. The representative of Georgia said that provisional measures were envisaged in the new Code of Criminal Procedure and the new Code of Civil Procedure.

##### Administrative procedures and remedies

137. The representative of Georgia said that the [draft] Code of Administrative Infringements contained provisions regarding intentional violation of copyright and patent rights (Article 218), and misappropriation of trademarks (Article 253).

##### Special border measures

138. The representative of Georgia said that the Statute on Trademarks provided for goods unlawfully bearing a trademark to be seized upon importation into Georgia at the request of the public prosecutor, any competent authority, or any interested party. The new Copyright Law would include provisions on special border measures in case of copyright infringement. He noted that Georgia had never applied special border measures to seize imports of counterfeit or pirated goods. The Customs

Department was preparing regulations on special border measures against pirated copyrighted works and counterfeit trademarked products to conform with Articles 51-60 of the TRIPS Agreement.

### Criminal procedures

139. The representative of Georgia said that a commission within the Ministry of Justice had prepared the [draft] Criminal Code of Georgia. The [draft] Criminal Code stipulated criminal penalties with respect to violation of intellectual property rights (Article 172), restriction of monopolistic activities and competition (Article 199), misappropriation of trademarks (Article 200), false advertising (Article 201) and illegal provision or distribution of information containing commercial or banking secrets (Article 202). Penalties ranged from a fine equal to 300-1,000 times the minimum wage and up to two years' imprisonment.

### POLICIES AFFECTING TRADE IN SERVICES

[Information on policy measures affecting trade in services was circulated in document WT/ACC/SPEC/GEO/1 of 27 November 1997. Georgia's initial commitments on trade in services were presented in February 1998 (document WT/ACC/SPEC/GEO/3); a revised offer was circulated in document WT/ACC/SPEC/GEO/3/Rev.1 on 13 May 1998. Georgia has submitted a preliminary list of concessions and commitments in services (November 1998), as well as a revised preliminary list, circulated in document WT/ACC/SPEC/GEO/6/Rev.1 of 4 February 1999.]

140. The representative of Georgia said that services sectors accounted for approximately 42 per cent of Georgia's GDP in 1996. Georgia was in the process of drafting and adopting new laws, and amending existing legislation related to trade in services to make the legislative basis consistent with the Agreements of the World Trade Organization. General laws related to services included the Constitution of Georgia; the Law "On Promotion and Guarantees of Investment Activity"; the Law "On Entrepreneurship"; the Law "On the Legal Conditions of Foreigners"; the Law "On Temporary Entry, Residence and Exit of Foreigners from Georgia"; the Law "On Monopoly Activities and Competition"; and the "Bankruptcy Law" of 25 July 1996. The Law on Bookkeeping and Accounting had been adopted by Parliament on 5 February 1999. The procedure for obtaining permission to engage in activities such as banking, insurance, issuance of securities and communications applied equally to domestic and foreign investors.

141. Concerning specific services sectors, he said that banks registered with the Courts, and licences on banking activities were issued by the National Bank of Georgia. The National Bank based its administrative decisions on the Law "On the National Bank" (of 28 June 1995) and the Law "On Commercial Banks Activities" (February 1996). A single shareholder or group of shareholders could, in principle, not own or dispose of more than 25 per cent of the stated or declared capital of a commercial bank, however, the National Bank could authorize exemptions for banks or holders of a banking licence. Foreign banks operated in accordance with Georgia's common banking legislation and were not subject to any special or additional requirements. The Insurance State Supervision Service controlled insurance activities. According to the Insurance Law, in force since 2 May 1997, insurance could be provided only by legal persons organized as joint-stock companies or limited responsibility societies. Licences were granted for an indefinite period of time. The Insurance Law had been amended in October 1998, abolishing restrictions on foreign ownership of insurance companies, effective upon Georgia's accession to the WTO. The Ministry of Finance established and enforced the regulatory regime for the stock market and issuance of securities. Parliament had approved a law establishing a stock market and providing for registration and regulation of securities in Autumn 1998. Parliament had also approved amendments to the Law "On Entrepreneurship" providing for improved stockholder protection and other provisions to encourage the development of a securities market in Georgia.

142. The Ministry of Telecommunications and Postal Services regulated the telecommunication sector and postal services in accordance with the Law "On Telecommunications" No. 568 of 12 October 1994. The Ministry formulated legislation, regulated tariffs and charges and participated in the establishment of industry standards. Licences were issued by the Ministry of Telecommunications, on the basis of a decision of a Licensing Committee (approved by the Minister) within one month of submitting the application and documentation. Georgian and foreign firms were licensed under equal conditions; to receive a licence the firm would need to be registered in the territory of Georgia. Telecommunication services were provided by State-owned and private firms. Postal services were a State monopoly in accordance with Presidential Decree No. 334 of 20 May 1996. However, foreign service suppliers (DHL, UPS) were also engaged in postal services in Georgia.

143. The Ministry of Justice regulated legal services. Legal services by foreign lawyers were not regulated or restricted by Georgian legislation in force. Audit services were regulated by the Audit Board established under the Parliament of Georgia.

144. The regulatory regime in the tourism sector comprised the Tourism Chart and Tourism Code (September 1995), the Law "On Tourism and Resorts" of 6 March 1997, and Amendments and Changes to the Law on Tourism and Resorts of 20 March 1998. The fee for licensing tourist activities was set at 245 Lari and applied equally to domestic and foreign firms.

[to be completed]

#### Transparency

##### Publication of information on trade

145. The representative of Georgia said that a normative act could not take effect before its official publication (Article 38, paragraph 5 of the Law "On Normative Acts" of 29 October 1996). Normative acts for enactment were to be published either in "Sakartvelos Kanonmdblobis Matsne" (Georgian Legislation News), "Sakartvelos Parlamentis Utskhebani" (Georgian Parliament News), "Sakartvelos Respublica" (official newspaper), or in the official publishing organ of the authority adopting the normative act. Publication of laws, regulations and administrative orders was a legal obligation, and laws, regulations and administrative orders could not take effect before their publication. Asked to clarify the relationship between these requirements and Article X of the GATT 1994, he confirmed that Georgia published all laws, regulations, judicial decisions and administrative rulings of general application prior to implementation.

146. A member noted that normative acts could be published in a variety of journals and asked Georgia to indicate specifically which organs were relevant to the obligations contained in Article X of the GATT and the WTO Agreements on SPS, TBT, TRIPS, GATS, Import Licensing Procedures, Customs Valuation. Reminding Georgia that Article X and several WTO Agreements required laws, regulations, judicial decisions, and administrative rulings of general application dealing with trade to be published in a manner which permitted governments and traders to become acquainted with them, and in some cases for comment prior to finalization, this member requested Georgia to review its current diffuse publication strategy and to consider focusing its publication requirements on WTO issues in a relatively small number of publications. The current system of publication of normative acts in various publishing journals could be a source of serious confusion and lack of proper information for foreign traders.

147. The representative of Georgia replied that official publication of a normative act implied publication of the entire text in "Sakartvelos Kanonmdblobis Matsne" (Georgian Legislation News).

He added that organs relevant to the obligations of Article X of the GATT were indicated in the [draft] "Decree of the President of Georgia on Managing the WTO Relationship".

#### Notifications

[to be completed]

#### Trade Agreements

148. The representative of Georgia said that Georgia was a member of several multilateral economic organizations, including the Customs Cooperation Council (CCC); the European Bank for Reconstruction and Development (EBRD); the United Nations Economic and Social Council (ECOSOC); the European Telecommunications Satellite Organization (EUTELSAT); the Food and Agriculture Organization (FAO); the International Atomic Energy Agency (IAEA); the International Civil Aviation Organization (ICAO); the International Fund for Agricultural Development (IFAD); the International Labour Office (ILO); the International Monetary Fund (IMF); International Maritime Organization (IMO); the International Maritime Satellite Organization (INMARSAT); the International Organization for Migration (IOM); the International Road Traffic Organization (IRTO); the International Trade Centre (ITC); the International Telecommunications Union (ITU); the Organization for Security and Cooperation in Europe (OSCE); the United Nations Conference on Trade and Development (UNCTAD); the United Nations Development Programme (UNDP); the United Nations Economic Commission for Europe (UNECE); the United Nations Environmental Programme (UNEP); the United Nations Industrial Development Organization (UNIDO); the Universal Postal Union (UPU); the World Food Programme (WFP); the World Health Organization (WHO); the World Intellectual Property Organization (WIPO); the World Meteorological Organization (WMO); the World Bank; the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA), the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the World Tourism Organization.

149. Georgia had signed 30 bilateral agreements containing substantive provisions directly affecting foreign trade in goods and/or services. Georgia had concluded Free Trade Agreements with Armenia, Azerbaijan, Kazakstan, Moldova, the Russian Federation, Turkmenistan, Ukraine and Uzbekistan, 22 agreements on trade and economic cooperation or economic relations, as well as a number of agreements and treaties on the promotion and reciprocal protection of investment (the respective agreements are listed in document WT/ACC/GEO/3, Annex 7). Georgia had signed a Partnership and Cooperation Agreement with the European Communities on 22 April 1996. The agreement was based on reciprocal application of the MFN principle. Georgia was a participating State in the Black Sea Economic Cooperation (BSEC), established on 25 June 1992.

150. Concerning relations with the Commonwealth of Independent States (CIS), he said that Georgia had become a CIS member on 9 December 1993. Georgia had signed the Agreement on the Creation of an Economic Union of 24 September 1993 (the CIS Economic Union Agreement), and the Agreement on Creation of Free Trade Area within the CIS, but Parliament had not ratified them. Parties to the Agreement on Creation of Free Trade Area within the CIS agreed not to impose import or export duties, levies of equivalent effect, or quantitative restrictions on originating goods in trade among themselves. The Agreement foresaw that the parties would agree mutually on what goods to exclude from the free trade regime, but this had not been done. The Agreement required each party to authorize free transit over its territory of goods originating in another party and destined for a third party. The Agreement also required the signatories to accord national treatment with respect to: (i) domestic taxes and levies of a fiscal character, (ii) other restrictions or requirements, and (iii) rules on transit, warehousing and payment. Parties were free to take quantitative or other protective measures: (i) in response to shortages; (ii) for balance of payments reasons; or (iii) to redress

significant injury caused by imports, or threat thereof, to domestic producers. Each party remained free to adopt measures to protect public health, morals, order and security, plants and animals, national treasures and intellectual property. The Coal and Metal Association Agreement, signed by 11 CIS countries, provided for the establishment of a Eurasian Association for Coal and Metal with the objective to further rational development of the coal and metal-producing industries, coordination of scientific, technical and investment policies, and promotion of beneficial conditions of supply and terms of sale. The Coal and Metal Association Agreement did not contain any provisions relating to preferential market access.

151. The representative of Georgia stated that Georgia did not conduct any trade on the basis of government-mandated countertrade or barter. An agreement with the Russian Federation for 1996-97 had envisaged duty exempt barter of agricultural products in exchange for industrial goods between private sector entities, but no such trade had actually taken place.

152. In response to specific questions on Georgia's economic relations with other CIS countries, the representative of Georgia added that only the Free Trade Agreements with Azerbaijan, the Russian Federation and Ukraine were actually in force. The Free Trade Agreement with Ukraine had entered into force on 4 June 1996. The CIS Agreement on the Creation of an Economic Union was a framework agreement which required separate agreements in specific areas of economic activity to become effective. No free circulation of goods, services, capital or manpower had yet been implemented on the basis of this Agreement. He stressed that Georgia had no intention of joining the CIS Customs Union. He agreed that the Agreement "On Creation of Zone of Free Trade of the Commonwealth of Independent States" would need to be notified under Article XXIV of the GATT 1994 or Article V of the GATS, but added that the agreement was not yet in force.

153. A member requested Georgia to submit notifications and copies of its Free-trade Area and Customs Union Agreements to the Committee on Regional Trade Agreements (CRTA) upon accession. The representative of Georgia replied that Georgia was not a member of any free trade area or customs union at present.

154. The representative of Georgia stated that his Government would observe the provisions of the WTO including Article XXIV of the GATT 1994 and Article V of the GATS in its participation in trade agreements, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning free trade areas and customs unions of which Georgia was a member were met from the date of accession. [The Working Party took note of these commitments.]

## CONCLUSIONS

155. The Working Party took note of the explanations and statements of Georgia concerning its foreign trade regime, as reflected in this Report. The Working Party took note of the commitments given by Georgia in relation to certain specific matters which are reproduced in paragraphs ..... of this Report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Georgia to the WTO.

156. Having carried out the examination of the foreign trade regime of Georgia and in the light of the explanations, commitments and concessions made by the representative of Georgia, the Working Party reached the conclusion that Georgia be invited to accede to the Marrakesh Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this Report, and takes note of Georgia's Schedule of Specific Commitments on Services (document.....) and its Schedule of Concessions and Commitments on Goods (document ..... ) that are annexed to the Protocol. It is proposed that these texts be adopted by the General Council when it adopts the Report.

When the Decision is adopted, the Protocol of Accession would be open for acceptance by Georgia which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of Georgia to the Marrakesh Agreement Establishing the WTO.

Table 1: Progress in privatization in Georgia

(a) Privatization by Sector as of 1 July 1997

Sector	Approved	Privatized (total)	Privatized in 1997
Total number	10,355	10,093	296
Industry	319	223	2
Energy	31	28	0
Bread products corporation	139	95	0
Food and agriculture	548	341	26
Construction	165	252	10
Trade	4,056	3,897	57
Every day repairs and other services	4,106	3,891	22
Oil products	164	164	0
Health	669	523	18
Social services	85	396	8
Transport	73	90	6
Non-dwelling space		193	147

(b) Establishment of Joint-Stock Companies by Sector (1992-1999)

Sector	Number of State property objects planned for privatization	Number of joint-stock companies founded	Percentage (%)
Industry	192	174	90
Chemical engineering	31	25	80
Bread products	61	24	39
Agriculture	383	326	85
Architecture and construction	219	212	97
Trade and material resources	81	70	86
Oil products	49	26	53
"Sakgazi" (Georgian gas)	57	44	77
Transport	116	110	95
Social services	49	42	86
Energy	60	91	152*
Poti and Batumi seaports	2	0	0
TOTAL	1,300	1,144	88

Note: Figures may differ as some enterprises have been reorganized and restructured, and thus divided into several new independent entities.



Table 2: Rates of excise tax

HS code	Product description	Tax rate (% or Lari per litre)
	Caviar of sturgeon and trout, fish and seafood delicacy products	20%
	Beer	0.12 Lari
	Grape wines and wine materials, with the content of alcohol not exceeding 13%: -Unbottled	Lari
	-Bottled	0.20 Lari
	Champagne	4.00 Lari
	Sparkling wines made of: -grapes	0.50 Lari
	-fruits	2.00 Lari
	Fruit wines	1.70 Lari
	Strong wines and wine materials, with the content of alcohol exceeding 13%: - made of grapes, unbottled	0.50 Lari
	- made of grapes, bottled	1.00 Lari
	- made of fruits and other materials	2.00 Lari
	Cognac and cognac materials	6.70 Lari
	Whisky, gin, rum	4.00 Lari
	Brandy and brandy materials	2.70 Lari
	Vodka	1.00 Lari
	Liquor	2.70 Lari
	Other alcoholic drinks	1.00 Lari
	Ethyl spirits	0.70 Lari
2402 20	Tobacco products, except tobacco raw materials: - high, class 1, 2, per 1,000 pieces	7.50 Lari
2402 20	- class 3, 4, 5, 6, per 1,000 pieces	2.50 Lari
2402 10	-cigars, cheroots and cigarillos containing tobacco, per 1,000 pieces	150 Lari
2403	-other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences, per kg	20 Lari
	Petrol: - ethylated petrol	100%
	- non-ethylated	60%
2710 00	Petroleum oils and oils obtained from bituminous minerals, other than crude	60%
	Automobile tyres	15%
	Jewellery	35%
	Automobile tyres	15%
	Automobiles	15%

Table 3: Items subject to import licensing

(a)	Chemical agents for protection of plants: 3808.	Licence is granted with the consent of the Ministry of Protection of Environment and Natural Resources, the Ministry of Agriculture and Food.
(b)	Wild animals and birds, fish, bones and hoofs of extinct animals, wild plants, seeds of wood species of forest and similar materials: 010119; 010290900; 010391900; 010392900; 010410900; 010420900; 010599; 010600910; 010600990 (only wild animals); 0301-0303; 040700 (poultry except eggs); 0507; 050800000; 0604; 080221000; 080222000; 120999100; 1211; 121220000; 1401-1404; 9601.	Licence is granted with the consent of the Ministry of Protection of Environment and Natural Resources, the Department of Forestry, the Ministry of Agriculture and Food.
(c)	Remedies, medicines and their raw materials, narcotic and psychotropic remedies, poisons: 020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 121220000; 150420; 29 (only pharmacological preparations and their raw materials); 3001-3004; 300660; 0507; 051000000; 1211; 1302.	Licence is granted by the Ministry of Health Protection.
(d)	Weapon and military equipment, special completing products, works for their production, services in the field of military technical cooperation: 871000000; 8802 (except: 880211100; 880212100; 880220100; 880230100; 880240100); 8803 (except: 880310100; 880320100; 880330100; 880390910); 8805 (except 880520100); 890600100; 930100000; 930200; 9305 (only for fighting arms); 9306 (except: 930610100; 930629100; 930629200; 930629400; 930630900); 901310000; 901320000; 901380000; 9014; 8506 - only for military purpose.	Licence is granted by the ministry of Justice.
(e)	Gunpowder, explosives, pyrotechnic substances: 360100000 (except gunpowder for hunting); 360200000-3604.	Licence is granted by the Ministry of Justice.
(f)	Nuclear materials, technologies, equipment and installations, special non-nuclear radioactive radiation sources: 3612; 2344; 2845; 8401.	Licence is granted by the Ministry of Justice.
(g)	Industrial wastes.	Licence is granted on the basis of the consent of the Ministry of Protection of Environment and Natural Resources.
(h)	Tobacco products: 2402 and 2303	Licence granted by the Ministry of Trade and Foreign Economic Relations

The import of non-toxic industrial wastes is allowed only for the purpose of industrial processing. Import of toxic and radioactive industrial wastes for the purpose of their utilisation, safe disposal, processing, interment and any other purposes is prohibited.

Table 4: Exports subject to prohibition or licensing

According to Resolution No. 744 of 23 November 1995 of the Cabinet of Ministers of Georgia and Resolution No. 637-II of 21 February 1995 of the Parliament of Georgia, export of the following is prohibited:		
CN 9701-970300000, 970600000	Artwork and antiques of museum value	
CN 930110000, 930200, 9305, 9306	Weapons and gunpowder	
Export of the following kinds of goods is subject to licensing in Georgia:		
970500000	Collection materials of biology, mineralogy, archaeology, paleontology, ethnography and numismatics:	Licence is granted in agreement with the Ministries of Finance, Protection of Environment and Natural Resources, Culture and the Department of Geology respectively.
4401, 4403, 4404, 4406, 4407	Timber	Licence is granted on the basis of issued permission on manufacturing of timber.
020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 051000000; 1211; 13021; 150420; 1505; 3001; 3002	Raw materials of animal and plant origin for medicines, substances received from human organism	Licence is granted in agreement with the Ministry of Health Protection.
120999101 CN 7204, 7404, 7602	Caucasian Fir seed Ferrous and non-ferrous metal scrap	Licence is granted on the basis of licence for their laying-in issued by the Ministry of Protection of Environment and Natural Resources.

Table 5: Imported products subject to mandatory certification

	Description of Product	Position Code
1	Meat and meat products	Group 2
2	Fish, crustaceans, marine mammals and other aquatic invertebrates	Group 3
3	Milk and dairy products, birds' eggs, natural honey, edible products of animal origin	Group 4
4	Vegetables and bulbs, tuberous roots	Group 7 (except 0701 10 000 0703 10 110)
5	Edible fruit or nuts, citrus and its shells and peel	Group 8
6	Coffee, tea, spices	Group 9
7	Grain for bread	Group 10
8	Cereals, starch, inulin (except wheat gluten)	Group 11 (except 1109 00 000)
9	Foliage beet, edible roots, lucern, edible cabbage, hay whether or not granulated	1214

	Description of Product	Position Code
10	Fats, oils and their fractions, of fish or marine mammals whether or not refined, but not chemically modified.	1504
11	Other oils their fractions obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils of other type.	151000
12	Lard and poultry fat whether or not pressed or solvent extracted	1501 (except 1501 00 110)
13	Fats of bovine animals, sheep or goats raw or rendered	1502 (except 1502 00 100)
14	Soya-bean oil and its fractions, whether or not refined but not chemically modified	1507 (except 1507 10 100, 1507 90 100)
15	Peanut oil and its fractions, whether or not refined but not chemically modified	1508 (except 1508 10 100 1508 90 100)
16	Olive oil and its fractions, whether or not refined but not chemically modified	1509 (except 1509 10 100)
17	Palm tree oil and its fractions, whether or not refined but not chemically modified	1511 (except 1511 10 100 1511 90 910)
18	Sunflower-seed, safflower or cotton-seed oil and fractions thereof whether or not refined, but not chemically modified	1512 (except 1512 11 100, 1512 19 100, 1512 21 100)
19	Coconut oil, palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified	1513 (except 1513 11 100, 1513 19 300 1513 21 110, 1513 29 300, 1513 29 990, 1513 21 190)
20	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified	1514 (except 1514 10 100 1514 90 100)
21	Vegetable fats and oils and their fractions	1515 20 (except 1515 20 100)
22	Animal fat and their fractions	1516 10
23	Corn oil and its fractions (edible)	1515 21 900
24	Margarine	1517
25	Meat, fish or crustaceans or other aquatic invertebrates	Group 16
26	Cane or beat sugar and chemically pure sucrose, in solid form	1701 (except 1701 11 900 1701 99 900)
27	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose	1702 40 (except 1702 40 100)
28	Other fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose	1702 06
29	Sugar confectionery (including white chocolate), not containing cocoa	1704
30	Cocoa and cocoa preparations	Group 20
31	Preparations of cereals, flour, starch or milk, pastrycook products	Group 19
32	Preparations of vegetables, fruit, nuts or other parts of plants	Group 20
33	Miscellaneous edible preparations	Group 21
34	Beverages, spirits and vinegar	Group 22
35	Residues and waste from the food industry used for animal feed, prepared animal food	Group 23
36	Tobacco and manufactured tobacco substitutes	Group 24
37	Edible salt	2501 00 910

	Description of Product	Position Code
38	Engine and aviation petroleum	2710 00 310
39	Engine petroleum containing lead no more than 0.013 g/l	2710 00 330
40	Engine petroleum containing lead more than 0.013 g/l	2710 00 350
41	Kerosene	2710 00 510
42	Diesel fuel	2710 00 690
43	Liquid fuel (mazout)	2710 00 790
44	Lubrication and other oils	2710 00 990
45	Medical oxygen	2804 40 000
46	Gauze and its preparations	3005 90 310
47	Ammonium sulfate	3102 21 000
48	Superphosphates	3103 10 000
49	Essential oils and resinoids, perfumery, cosmetic or toilet preparations	Group 33 (except 3303, 3307 10 000, 3307 30 000, 3307 41 000, 3307 49 000 3307 90 000
50	Toilet soap	3401 11 000
51	Detergents, packed for retail sale	3402 20 900
52	Detergents and other cleansing materials	3402 90 900
53	Lubrication means for cars, equipment and transportation means	3403 19 910
54	Matches	3605 00 000
55	Photographic or cinematographic goods	Group 37
56	Copper sulfate, packed for retail prices	3808 20 100
57	Herbicides	3808 30 100
58	Disinfectants, for use in health protection and veterinary	3808 40 000
59	Flexible insulation tubes of ethylene, vinyl chloride or other plastic polymers	3917 31 900
60	Diaphragm of polymers of ethylene	3920 10
61	Insulation materials from tar and other plastic	3921 90 2003921 90 3003921 90 500
62	Plastic bags	3923 21 000
63	Plastic bags and containers of more than 2 litres in volume	3923 30 900
64	Rubber	4011 (except 4011 30)
65	Contraceptives	4014 90
66	Latex baby's dummy, rubber ice bubbles, rubber hothouses, medical rubber tubes	4014 990
67	Appliances for individual safety reasons, rubber masks	4015 90 000
68	Surgical gloves	4015 11 000
69	Timber boards	4410
70	Plywood veneer sheets of leaf-bearing sorts with outward layers, veneer sheets of coniferous sorts with outward layers	4412, 4412 12 0004, 412 19 000
71	Veneer preparations	4415 10 000
72	Filter for grocery products	4805 40 000
73	Wrapping paper for grocery products	4805 80 900
74	Wall paper	4814
75	Hard paper boxes	4819 10 000

	Description of Product	Position Code
76	Hard and soft paper boxes, including bending ones, paper bags and bags of combined materials, glass and paper bottles	4819 50 100
77	Insulation fabric	5903 90 100
78	Male, female and children knitted garments, including the clothing for babies and children before school age - knitted garments - male, female and children swimming and skiing suits - foot ware (socks, warm pants and sweat pants)	61076108, 61096111 / 61126115
79	Male, female and children sewing garments male, female and children sewing suits for swimming and skiing purposes	6207 / 6208, 6209 6211 11 000, 6211 12 000
80	Male, female and children jersey ware	61056106
81	Children shoes (leather, rubber polymer, rubber textile, woollen)	6401; 6402, 6403; 6404;6405
82	Uncut diamond instruments – sewing discs, cutting discs	6804 21 000
83	Abrasion instruments - sewing discs, cutting discs	6804 22
84	Abrasion powder instruments	6805
85	Friction materials and preparations	6813 (except 6813 10 100, 6813 901000)
86	China dinner, kitchen, other household and toilet articles	6911
87	Dinner, kitchen, other household ceramic dishes and toilet articles	6912
88	Multi-layer glass for ground transport	7007 11 000, 7007 21 910
89	Glass containers for storage, transportation and packaging (for medical, food and industrial use)	7010 90
90	Metal cans for preserves and chemical products, cisternas	7310 (except 7310 10 000)
91	Ferrous metal containers with more then 50 litre capacity	7310 10 010
92	Air balloons of 50 litre capacity at burst pressure of 1.6 Pa	7311 00 (except 7311 00 990)
93	Heaters, kitchen ovens, food heaters and other similar non electrical equipment made of ferrous metal, related supplies	7321 (except 7321 90 000)
94	Copper enamelled household articles	7323 92 000
95	Articles out of rust proof metal	7323 93
96	Iron enamelled household articles	7323 94
97	Steel dishes	7418 10 000
98	Aluminum containers not expanding the 50 litres capacity	7612 90 990
99	Aluminum kitchenware and dishes	7615 10
100	Manual garden tools (knives, etc.)	8201 10 000, 8201 20 0000, 8201 30 000, 8201 50 000
101	Wood-cutting instruments - plate saws	8202 32
102	Screwdrivers	8203 20
103	Hammers, planes	8205 20 000, 8205 30 000
104	Guts	8205 40 000
105	Milling cutters	8207 70 900
106	Caps for glass bottles, corks, etc.	8309 90 900
107	Internal burning engine	8407 21

	Description of Product	Position Code
108	Motorcycle and car engines	8407 31 000, 8407 32 000, 8407 33 (except 8407 33 100) 8407 34 (except 8407 34 100, 8407 34 300) 8407 90 (except 8407 90 500, 8407 90 700)
109	Car internal burning engines	8408 20 (except 8408 20 100, 8408 20 310, 8408 20 350, 8408 20 370)
110	Household liquid pumps, manual	8413 20 900
111	Manual household pumps	8414 20 990
112	Compressors used in refrigerating plants	841430
113	Electronic engine air conditioners for tables, wall, floor, ceiling with capacity of 125 kWh	8414 51 (except 8414 51 100)
114	Air conditioner supplies for measuring air temperature and humidity; conditioners without a separate regulator of humidity; - for wall or window - other	8415 10 000, 8415 82 900, 8415 83 900
115	Refrigerator closets and containers	8418 10 900
116	Family refrigerators – compressive - electric, absorbing - other	8418 21, 8418 22 000, 8418 29 000
117	Refrigerator shelves	8418 50 190
118	Water heaters or water accumulators	8419 19 000
119	Medical, surgical sterilisers	8419 20 000
120	Machines, equipment and other for preparing warm drinks or heating up dishes	8419 81 (except 8419 81 100)
121	Electric milk separators with capacity of 1 kWh and manual capacity of 50 litre/hour	8421 11 000
122	Household air cleaning machine	8421 39 300
123	Household dish washers	8422 11 000
124	Machines for weighting and acknowledging the wrapped goods	8423 81 300
125	Motor operated cultivators	8432 29 100
126	Machines for cutting the hay, grass, etc.	8433 118433 19
127	Machines used in milk industry	8434 (except 8434 90 000)
128	Electric incubators with capacity of 4kWh	8436 21 000
129	Mixers and related machines in food industry	8438 (except 8438 30 000, 8438 40 000)
130	Binding machines for brochures	8440
131	Machines for textile fibre weaving: - carding machines;- looms	8445 11 000,8446
132	Household or laundry washing machines	8450 (except 8450 90 000)
133	Dryers for clothing	8451 21
134	Automatic or other sewing machines	8452 21 0008452 29 000
135	Electric household sewing machines	8452 10
136	Metal cutting machinery	84588459
137	Household wood work machinery	8465
138	Non-electric, manual tools	8467 (except 8467 91 000 8467 92 0008467 99 000)

	Description of Product	Position Code
139	Automatic and electrical typing machines, machinery for textile work	8469 (except 8469 31 0008469 39 000)
140	Calculators, counting machines, ticket apparatus, etc.	8470 (except 8470 10 000 8470 30 000 ,8470 40 000, 840 90 000)
141	Machines and blocks for automatic information processing; magnetic and optical counting machines, machines for transmitting coded messages	8471 (except 8471 10 100, 8471 20 100, 8471 91 100, 8471 92 100, 8471 93 100, 8471 90 100)
142	Electronic machines for counting, sorting, binding and wrapping banknotes	8472 90 100
143	Other office electrical equipment: document binding machines, paper disposal machines, electric pencil sharpeners and etc.	8472 90 900
144	Concrete mixer	8474 31 000
145	Equipment for making mixtures of building materials	8474 39 000
146	Rubber and rubber product making machinery	8477 (except 8477 90)
147	Taps and other products for tubes, pipes, reservoirs, cisterns and other containers including thermoregulators	8481
148	General machinery reductors and transmissions	8483 40 930
149	General machinery moto-reductors	8483 40 990
150	Electric engines (except aviation ones)- engines with capacity not expanding 37.5w- AC/DC Universal engines with capacity not expanding 37.5w	8501 108501 20 (except 8501 20 100)
151	- engines with constant electricity supply with capacity not extending 750w - engines with constant electricity supply with capacity over 750w but below 75kWh - one line engines with changeable electricity supply and capacity not expanding 7.5kWh – multi-line engines with changeable electricity supply	8501 31 (except 8501 31 100) 8501 32 (except 8501 32 100) 8501 40 900 8501 51 (except 8501 51 100, 8501 51 910)
152	Complex electro generating equipment with internal engine of capacity not expanding 7.5Kwh	8502 20 910
153	Throttles for discharge lamps and tubes	8504 10 (except 8504 10 100)
154	Liquid dielectric operated transformers (3000v) - capacity not expanding 650 kWh - capacity more than 650kWh but below 1000 kWh	8504 21 0008504 22
155	Measuring transformers with capacity not expanding 1 kWh	8504 31 (except 8504 31 100)
156	Other transformers with capacity more than 500w (with electricity more than 3000v)	8594 24 000
157	Welding	8504 40 910
158	Charging machinery, accumulating equipment	8504 40 930
159	Basic elements and batteries	8506 (except 8506 20 0008506 90 000)
160	Electric accumulators including their apparatus of different shapes	8507 (except 8507 10 100, 8507 20 100, 8506 30 100, 8507 40 100, 8507 80 100, 8507 90)



	Description of Product	Position Code
161	Electrical engine operated manual electric-mechanical instruments with indulged	8508 (except 8508 10 100, 8508 80 100, 8508 80 300, 8508 90 000)
162	Electrical engine operated household electric mechanical machines	8509 (except 8509 90)
163	Electrical engine operated electric shavers and hair cutters;	8510 (except 8510 90 000)
164	Electrical equipment with internal burn engine for automobile transport (ignition coils, spark-plugs, starters);generators (of constant and changeable electricity supply)	8511 (except 8511 10 100 8511 20, 8511 30 100, 8511 40 100, 8511 50 100 8511 808511 90 000)
165	Alarm and lighting equipment	8512 (except 8512 10)
166	Industrial or laboratory used electric ovens and containers including special machinery for thermo-works	8514 (except 8514 10 9908514 90 000, 8514 90)
167	Soldering irons and soldering apparatuses	8515 11 000
168	Automatic and half automatic machines and apparatus for arc welding of metals	8515 31 000
169	Electric accumulating water heaters; sinking electric boilers; heating systems for houses; electric irons and other electric household items	8516 (except 8516 80 8516 90 000)
170	Electric phone system	8517 10 100
171	Electric door bell systems	8517 81 100
172	Electrical voice devices, microphones	8518 50 900
173	Tape players and similar devices not including recording supplies (more than 363 v)	8519 (except 8519 91 1008519 91 910)
174	Tape recorders and other recording devices with or without players	8520 (except 8520 31 110, 8520 31 300, 8520 90)
175	Video recording and playing devices with or without videotuner	8521 (except 8521 10 100)
176	Broadcasting devices and apparatus for radio/ television, television cameras	8525 (except 8525 10 1008525 20 100)
177	Radio-phone devices, radio-telegraph devices and other apparatus for radio broadcasting	8527 (except 8527 11 8527 19 0008527 90)
178	Television receivers including video monitors and video projectors, with or without voice recording and playing devices	8528
179	Fire and safety electronic alarms	8531 10 900
180	Electronic bells and indicative panels	8531 80 900
181	Constant electric network condensators of 50/60Hz.	8532 10 000
182	Electric devices for turning on/off the electricity, contacts, with voltage over 1000 V(switches, switchboards, power reducers, fluctuation reducers, electric load, using equipment, etc.)	8535 (except 8535 90 000)
183	Electric devices for switching on/off, breaking and protecting the electricity supply or for connection to electric circuits (switches, sockets, cords, etc.)	8536 (except 8536 10 900 8536 20 900, 8536 30 900, 8536 418536 90)
184	Electric and air-discharge incandescent lamps, including hermetically sealed lamps of directed light, also ultra-violet and infra-red lamps	8539 (except 8539 10 100 8539 40 900 8539 90)

	Description of Product	Position Code
185	Electric-laser hoses for television receivers including video monitors with: - coloured vision - black and white vision - vacuum display hoses	8540 118540 128540 89 110
186	Isolated electric tubes with or without connective details, optic cables	8544 (except 8544 11 900 8544 20, 8544 30 100 8544 41, 8544 49 8544 60 110, 8544 60 910 8544 70 000)
187	Small trucks for agricultural works	8701 108701 20 100
188	New 10 people vehicles	8702
189	Cars (except used, sport, snow equipped, field games vehicles)	8703
190	Trucks (except used, ones for transporting radioactive products)	8704
191	Cement mixing vehicles	8705 40 000
192	Trucks specifically used for city communication purposes	8705 90 000
193	Car devices and details: bumpers, safety belts, breaks, amortizators, noise reducers, wheel related mechanisms	8708 10 9008708 21 9008708 80 9008708 92 9008708 93 900
194	Electrical transport devices for transporting goods to ware-houses	8709 11 900
195	Motorcycles, bikes with supporting engines with or without additional seats (except the used and sport cars)	8711 (except 8711 10 000)
196	Two wheel bikes without engine	8712 00
197	Children cabs	8715 00 100
198	Yachts and other swimming devices like boats and canoe (except sport ones)	8903
199	Photo cameras with flashes	9006 (except 9006 10 000 9006 20 000, 9006 30 000 9006 91, 9006 99 000)
200	Cine-projectors	9007 21 000
201	Slide projectors	9008 40 000
202	Electric devices and apparatus for medical, surgical, dental, veterinarian, etc. uses	9018
203	Individual safe breathing devices	9020 00 900
204	Cardostimulator	9021 50 000
205	Changeable electricity measurers - one line - multi line	9028 30 110, 9028 30 190
206	Electricity measurers and other	9018 30 900
207	Automobile speedometers	9029 20 310
208	Cathode-beam oscilloscopes and oscillographs	9030 20 900
209	Mixed electromeasuring devices	9030 31 900
210	Voltmeters, amperimeters and other electric devices	9030 (except 9030 39 100)
211	Electric clocks	9105 (except 9105 11 100 9105 29, 9105 91 000, 9105 99)
212	Electrical music instruments with electrical sound frequency generators or sound improving devices (like guitar, organ)	9207
213	Seating furniture	9401 (except 9401 10 , 9401 50 000, 940190)
214	Medical, surgical, dentist, veterinarian furniture	9402

	Description of Product	Position Code
215	Other furniture (except the ones for public aviation usage)	9403 (except 9403 20 100 9403 70 100, 9403 80 000 9403 90)
216	Lighting devices: - for stage, television and movie studios - for photo and movie filming - for industrial purposes - for tables and projectors	9405 (except 9405 10 000 9405 50 000, 9405 60 100, 9405 91, 9405 92, 9405 99)
217	Children's toys on wheels (like three wheel bike, little manual cars), toy cabs	9501 00
218	Human like toys	9502
219	Other toys of reduced shapes, fun movable or straight devices, puzzles	9503
220	Receiver operated video games	9504 10 000
221	Coin or toil operated toys	9504 (except 9504 30 900)
222	Rubber masks and related diving gear	9506 29 900
223	Chargeable electronic lighter for stove, for cigarettes	9613 80 000
224	Building material out of cement and metal	Group 686813 (except 2515; 2516; 2517; 2523; 6904; 6908
225	Light industrial goods in contact with human body	6105; 6106; 6107; 6108; 6109; 6115
226	Liquid gas	2711 11 000, 2711 12 110
227	Coal	2701
228	Artificial leather	4111 00 000
229	Curing remedies	3003; 3004
230	Synthetic ammonia	2814
231	Calcium carbide	2819 10 000
232	Steel tubes	7304 10
233	Caprolactam	
234	Chemical fibre and thread	

## ANNEXES

[to be completed]

### ANNEX I

#### Laws, Regulations and Other Information Provided to the Working Party by Georgia

- Draft Ordinance of the President of Georgia on some measures for the implementation of requirements for the accession of Georgia to the WTO;
- Draft Decree of the President of Georgia "On Accession of Georgia to WTO";
- Draft Tax Code of 5 November 1996;
- Tax Code of Georgia of 9 July 1997;
- Law On Promotion and Guarantees of Investment Activity;
- Concession Law;
- Decree of the Head of State of the Republic of Georgia on the Establishment of Agricultural Land Use Tax;
- Resolution of the Tbilisi Municipality City Board No. 07.03.45 of 29 September 1994 On Making Minor Corrections to the Tbilisi Municipality City Board's Resolution No. 03.06 of 24 April 1993 and Approving the Instruction for Fixing Rental Change For the Use of Land Plots in Tbilisi;
- Presidential Decree No. 322 of 23 June 1997 On the Regulation for Admission of Goods Received Through Grants at the Customs of Georgia, Registration of Grants and Control Over Their Application;
- Law No. 743-IIS of 30 May 1997 On Privatization of State-owned Property;
- Law "On Administration and Allocation of Publicly-owned, Non-allocated, Non-Agricultural Land";
- Law "On Declaration of Private Ownership of Non-Agricultural Land in Possession of Physical Persons and Private Legal Persons;
- List of remaining un-privatized wholly or partially-owned government owned firms;
- Consumer Rights Protection Law of 20 March 1996;
- Law on Monopolistic Activities and Competition;
- The Code of Administrative Court Procedures of Georgia;
- Law on Entrepreneurs No. 577-16 of 28 October 1994;
- Customs Law;
- A Summary (Synopsis) of the Draft Customs Law of Georgia;
- Draft Customs Code of Georgia;
- Customs Code of Georgia of 14 November 1997;
- Law of 27 December 1996 On Customs Duty;
- Law on Customs Tariffs and Duties of 19 March 1998;
- Decree of the Republic of Georgia No. 30 of 21 October 1992 Concerning Customs Tariffs;
- Law on Customs Fees of 18 February 1998;
- Law on Value Added Tax;
- Resolution of the Cabinet of Ministers No. 843 of 5 December 1994 Concerning Approval of the Instructions On Order of Definition (Determination) of Customs Value of Goods Imported into the Territory of the Republic of Georgia;
- Regulations Concerning the Order of Determining the Customs Value of Goods Imported to Georgia (draft);
- Draft Regulations Concerning Order of Determining the Customs Value of Goods Imported to Georgia;
- Regulations for Determining the Country of Origin of Goods Imported to Georgia (draft);
- Decree N 391 of the President of Georgia "On Activities Addressing Regulation of Production, Import, Wholesale and Retail Trade in Tobacco Products in Georgia";

- Resolution of the Cabinet of Ministers No. 744 of 30 November 1995 On Further Liberalization of Export and Import Activities in the Republic of Georgia;
- Resolution of the Cabinet of Ministers No. 334 of 7 June 1995 About the Temporary Rule on Regulating Harvesting, Delivery, Transportation and Re-export of Scrap and Wastes of Black and Colour Metals in the Republic of Georgia;
- Programme of the implementation of the requirements of the WTO Agreement on Technical Barriers to Trade;
- Resolution No. 678 of 5 December 1998 "On Measures for the Implementation of Requirements of the Agreement on Technical Barriers to Trade of the WTO";
- Law on Establishing of the Unified Metering System No. 374-IS of 6 September 1996;
- Standardization Law No. 372-II of 6 September 1996;
- Law on Product and Service Certification of 6 September 1996;
- Plan of the measures on the consecutive planning of the requirements of international standards, sanitary, veterinary, phytosanitary and ecological norms;
- Decree of the Ministry of Agriculture and Food No. 2-166 of 19 June 1997 On Approval of the Regulation for Use of Paid Service Tariff of the State Inspection of Phytosanitary Quarantine;
- Law No. 716-IIS of 15 May 1997 On Agricultural Quarantine;
- Resolution of the Cabinet of Ministers No. 264 of 30 March 1995 On Supply of Goods and Products for State Needs;
- Georgian Law on State Procurement;
- Statute On Inventions (approved by Decision of the Cabinet of Ministers No. 302 of 16 March 1992);
- Book Four - Intellectual Property Statute (Draft Civil Code);
- Civil Code of Georgia of 26 June 1997;
- Draft Law on Copyright and Neighbouring Rights;
- Draft Law on Trademarks;
- Statute on Trademarks, approved by the Decision of the Council of Ministers No. 304 of 15 March 1992;
- Draft Law on Appellations of Origin and Geographical Indications;
- Statute on Inventions, approved by the Decision of the Council of Ministers No. 302 of 16 March 1992;
- Draft Patent Law;
- Statute on Industrial Designs, approved by the Decision of the Council of Ministers No. 303 of 15 March 1992;
- Law of Georgia "On Protection of Selected Achievements";
- Law on Protection of Consumer Rights of 20 March 1996;
- Law on Advertising of 18 February 1998;
- Law on Audit;
- Law on the National Bank of Georgia No. 764-IIs of 23 June 1995;
- Law No. 121-IIS of 23 February 1996 On Activities of Commercial Banks (with amendments of 21 March 1996);
- Law of 2 May 1997 On Insurance;
- Draft Law of Georgia "On Commodity Markets and Exchange Business";
- Free Trade Agreement between Georgia and Armenia;
- Free Trade Agreement between Georgia and Azerbaijan;
- Free Trade Agreement between Georgia and the Russian Federation;
- Free Trade Agreement between Georgia and Ukraine;
- Free Trade Agreement between Georgia and Uzbekistan;
- Agreement on Establishment of the Inter-State Euro-Asian Corporation of Coal and Metallurgy;
- Agreement between the European Communities and the Republic of Georgia on Trade in Textile Products;

- Law on Statistics of 12 November 1997;
- Statistical data on foreign trade of Georgia by commodity groups (1996);
- Statistical data on foreign trade of Georgia by commodity groups (January-November 1997
- Statistical data on foreign trade of Georgia by HS (1996-1997);

APPENDIX

ACCESSION OF GEORGIA

Draft Decision

The General Council,

Having regard to the results of the negotiations directed towards the establishment of the terms of accession of the Republic of Georgia to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of Georgia,

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Republic of Georgia may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.

PROTOCOL OF ACCESSION OF GEORGIA  
TO THE MARRAKESH AGREEMENT ESTABLISHING THE  
WORLD TRADE ORGANIZATION

Draft

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the Republic of Georgia (hereinafter referred to as "Georgia"),

Taking note of the Report of the Working Party on the Accession of Georgia to the WTO in document WT/ACC/GEO/.... (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of Georgia to the WTO,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, Georgia accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.
2. The WTO Agreement to which Georgia accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall include the commitments referred to in paragraph [...] of the Working Party Report, shall be an integral part of the WTO Agreement.
3. Except as otherwise provided for in the paragraphs referred to in paragraph [...] of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Georgia as if it had accepted that Agreement on the date of its entry into force.
4. Georgia may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Georgia. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.
6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.



Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Georgia until .....
8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.
9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 7 to each member of the WTO and Georgia.
10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ... day of .... one thousand nine hundred and ninety ....., in a single copy in the English, French and Spanish languages each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one or more of these languages.

ANNEX

SCHEDULE .... - GEORGIA

Part I - Goods

[to be completed]

Part II - Services

[to be completed]

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