



UNITED ARAB EMIRATES
MINISTRY OF ECONOMY

THE UAE – GEORGIA

Comprehensive Economic Partnership Agreement

PAVING THE WAY FOR
BUSINESS GROWTH



www.moec.gov.ae/cepa

2024

CONTENTS

Comprehensive Economic Partnership Agreements	02
UAE-Georgia Comprehensive Economic Partnership Agreement	05
UAE-Georgia Trade and Investment Relations	06
Trade in Goods	08
Simple and Clear Rules of Origin	10
A Safety Net for Local Producers	10
Trade in Services	11
Supporting Trade in the Digital Age	13
Protecting Intellectual Capital	13
Recognizing the Importance of SMEs	14
Promoting Investment	15
An Evolving Partnership	16
Implementation and Cooperation	16
Contact Us	17

Comprehensive Economic Partnership Agreements

Since 2021, the UAE has actively pursued Comprehensive Economic Partnership Agreements (CEPAs) with global partners to grow and diversify trade and to enhance investment.

CEPAs are among the key drivers for achieving the UAE's national strategy aimed at doubling GDP in the coming decade and supporting the UAE's mission to double non-oil exports to AED 4 trillion by 2031.

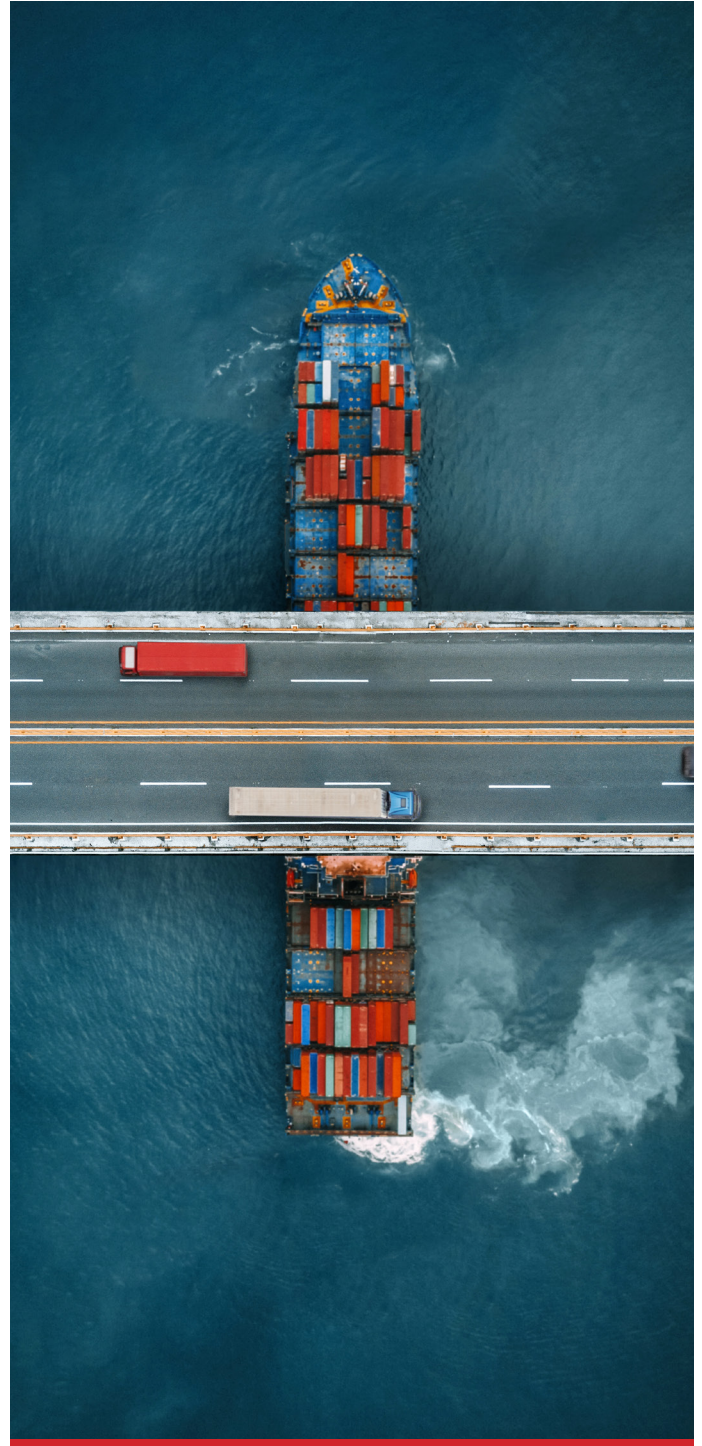
CEPAs provide UAEs producers with better access to global markets opening new opportunities. They remove certain trade barriers, protect intellectual property rights, facilitate customs procedures, as well as tackle new issues that support the development of digital trade, small and medium-size enterprises (SMEs) and investment.

CEPAs enhance the UAE's global economic dominance and secure the nation's value proposition as a global hub for business.

CEPAs help create new opportunities for UAE enterprises, consolidate the UAE's position as a trusted partner for trade and investment, and support ongoing national commitments to foster an environment conducive to innovation and technological advancements while maintaining the interests of our people and environment.

These CEPAs aim to open international markets to UAE companies, supporting their growth, diversification, and competitiveness.

Negotiations are ongoing with more countries to strengthen and expand the UAE's trade and investment networks further.



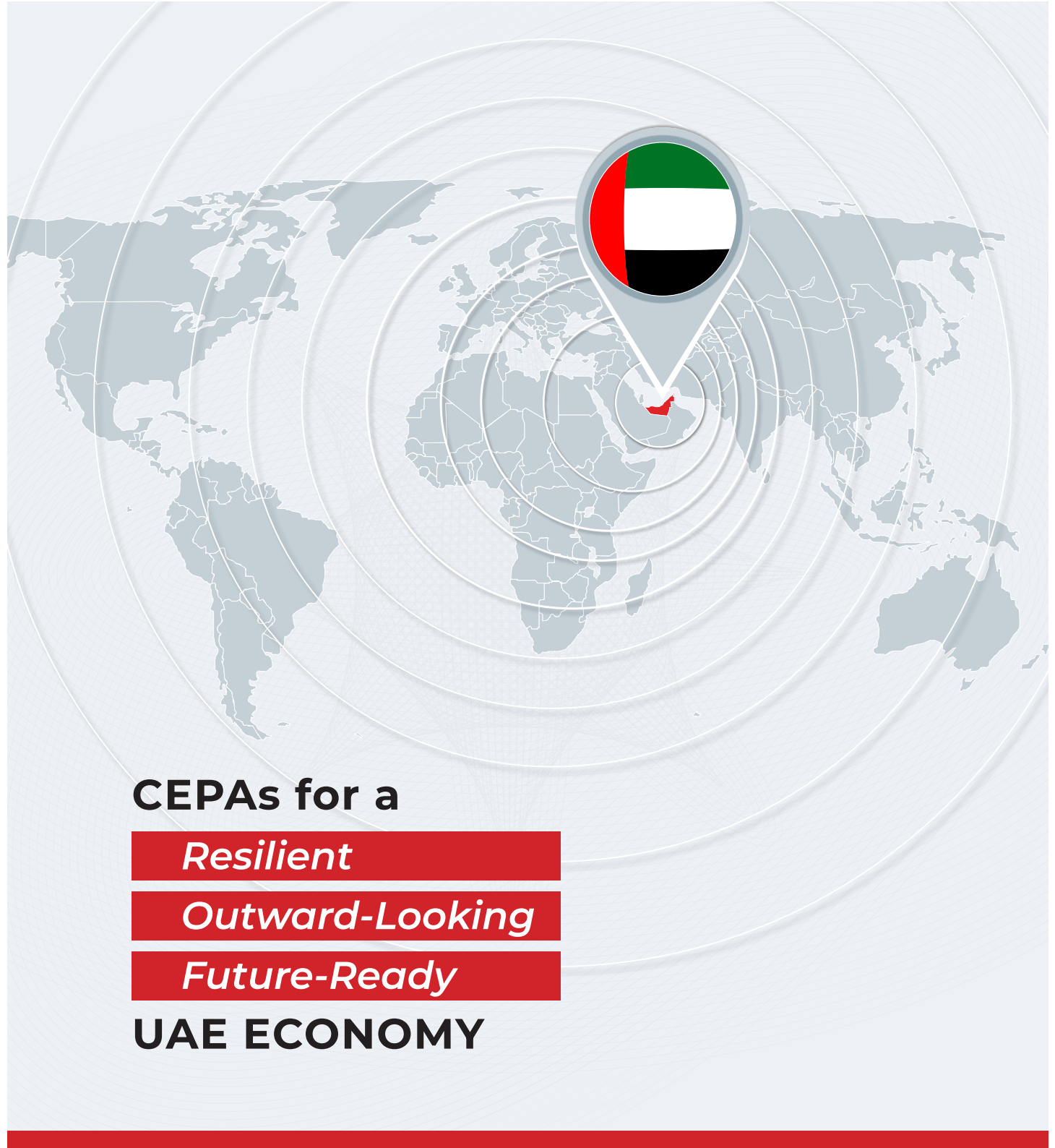


CEPA'S KEY BUSINESS BENEFITS

CEPAs make it easier for businesses, large and small, to engage in international trade and investment by allowing enterprises to benefit from the following:

-  Opening new export markets
-  Simpler customs procedures
-  Greater trust in digital trade
-  Potentials for export growth
-  Better conditions for service providers to enter a new market
-  Identify investment opportunities
-  Zero duty for major exported goods
-  Support for small and medium-sized enterprises
-  Enhance intellectual property rights protection

Under the CEPA, partner countries commit to reducing export barriers and providing a more transparent and efficient trade and investment environment.



CEPAs for a

Resilient

Outward-Looking

Future-Ready

UAE ECONOMY

UAE-Georgia Comprehensive Economic Partnership Agreement

UAE-Georgia CEPA was signed on October 10th, 2023, and entered into force on June 27, 2024.

UAE-Georgia CEPA is comprised of 18 Chapters and 15 Annexes covering market access for goods and services, trade remedies, sanitary and phytosanitary measures, technical barriers to trade, origin rules, customs procedures, and intellectual property rights. It also establishes a state-to-state dispute settlement mechanism and incorporates issues of digital trade, small and medium-sized enterprises, and investment facilitation.

Moreover, the UAE-Georgia CEPA encourages cooperation and collaboration between the two Governments through information exchange, continued dialogue, and collaboration on matters of mutual interest.



H.E. Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, (right, and H.E. Levan Davitashvili, Georgia's First Vice Prime Minister and Minister of Economy and Sustainable Development, sign the CEPA in Dubai on 10/10/2023.

CEPA signing was witnessed virtually by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and his Georgian counterpart, H.E. Irakli Garibashvili, Prime Minister of Georgia (2021-2024).

The UAE-Georgia CEPA, together with the Bilateral Investment Treaty (BIT) in force since 2018 and the Double Taxation Treaty (DTT) in force since 2010, allows companies from both countries to enjoy improved operational conditions and strengthened standards of treatment and protection.

Realizing the benefits of the UAE - Georgia CEPA calls on companies to actively leverage the opportunities provided by this CEPA.



UAE-Georgia Trade and Investment Relations

UAE has a longstanding history of trade and economic cooperation with Georgia resulting in a positive trade balance. As of 2023, the value of non-oil trade between UAE and Georgia reached 511.2 million US Dollars. This reflected a growth of 6.3% compared to 2022 and more than doubled compared to the levels in 2021 and 2019.

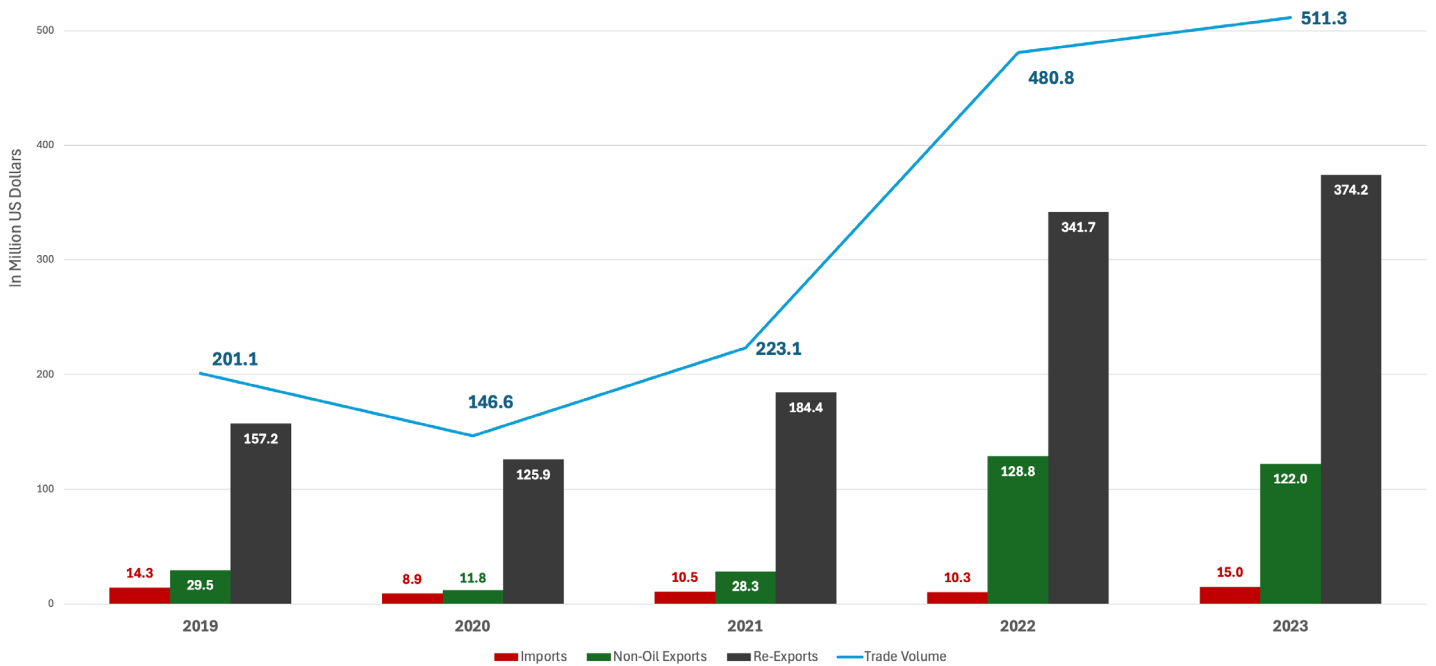
In 2021, Georgia's stock investments in the UAE totaled around 1.2 million US Dollars, primarily focused on real estate market activities. Conversely, UAE investments in Georgia amounted to about one billion US Dollars, with a focus on construction, real estate activities, and retail and wholesale trade. By the end of 2022, UAE investments made up 5% of the total foreign investment in Georgia.



Georgia is emerging as a promising market for renewable energy, with a commitment to increasing investments in solar, wind, hydrogen, and geothermal projects. The country's favourable climate for agriculture presents significant opportunities for UAE businesses to facilitate access to these products in Asian markets through the UAE while also developing a market for UAE businesses in agricultural technology.

Through the Comprehensive Economic Partnership Agreement (CEPA), the UAE aims to bolster its economic relations with Georgia and establish a favourable environment for research and investment for businesses in both countries. As part of this CEPA, the UAE and Georgia aim to increase bilateral non-oil trade to 1.5 million US Dollars within five years.





Bilateral Trade



Key UAE imports from Georgia

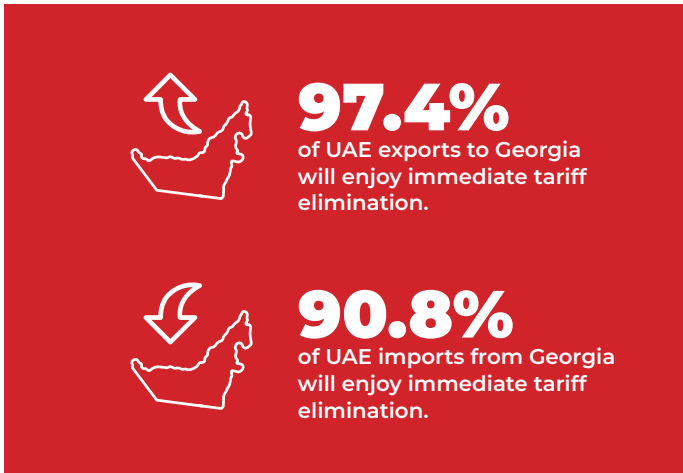
-  Machinery
-  Petroleum
-  Automobile part
-  Dairy

Key UAE exports to Georgia

-  Petroleum products
-  Electrical machinery and equipment
-  Toys
-  Sugar

Trade in Goods

Eliminating customs duties on all qualifying goods will benefit consumers and businesses. The CEPA offers UAE businesses improved and real market access to the Georgian market, encompassing more than 95% of tariff lines.



Improved Market Access

The significant tariff reduction will provide UAE goods with greater export opportunities. The top goods with future export growth potential are:

-  **Aluminium**
-  **Refined Sugar**
-  **Polyethylene and other refined petroleum products**
-  **Heavy machinery**
-  **Ceramics**
-  **Glass**
-  **Iron and steel and related products**
-  **Copper and related products**
-  **Cement**

Mechanisms to Guarantee Market Access

The CEPA has several mechanisms to guarantee real market access for businesses and maximize its benefits, these include:

- Implementing strict rules on import licensing procedures to prevent the creation of unnecessary and restrictive barriers to trade.
- Regulating the use of import and export restrictions and not using export subsidies on products intended for the other partner, ensuring fair competition with UAE products.
- Ensuring that customs duties are not increased or newly adopted.
- Integrating a mechanism into the CEPA for future acceleration or improvement of the scope of tariff commitments, unilaterally or on mutual agreement.
- Providing for the ability to nominate non-tariff measures for review by the CEPA's institutional mechanism and to enter into dialogue with the other partner.

Non-tariff Barriers

The CEPA covers regulations that ensure the health, safety, and standards of products traded with other countries. The CEPA requires that such regulatory provisions and processes achieve their specific objectives without creating unnecessary barriers to trade.

If the government or businesses consider any of the other party's regulatory measures to be a possible obstacle to trade, the CEPA facilitates communication and consultation between the competent authorities of the UAE and Georgia. The CEPA also aims to increase transparency by establishing mechanisms for exchanging information, including sharing the objectives, rationale, and application of such measures.



Avoiding regulatory obstacles to trade

Domestic systems revolving around technical regulations, standards, certifications, labelling and conformity assessment procedures that may affect trade between the UAE and Georgia are covered by the CEPA as technical barriers to trade. Countries need to ensure that they enforce such measures in a non-discriminative and transparent manner, and do not cause unnecessary obstacles to trade. These measures are to be implemented for achieving legitimate public policy objectives and be based on relevant international standards and guidelines.

Ensuring food safety and health regulations do not cause barriers to trade

The CEPA covers all sanitary and phytosanitary regulations, standards and guidelines that might affect trade between the UAE and Georgia. Countries use these measures to adopt and apply standards on food safety and animal and plant health. However, these standards must be based on scientific principles and applied only to the extent necessary to protect human life, and animal and plant health.

Simple and Clear Rules of Origin

Benefiting from the tariff elimination or reduction under the UAE-Georgia CEPA is not automatic.

UAE exported goods must meet the Rules of Origin that contain both production requirements and administrative conditions.

ROOs Production Requirements

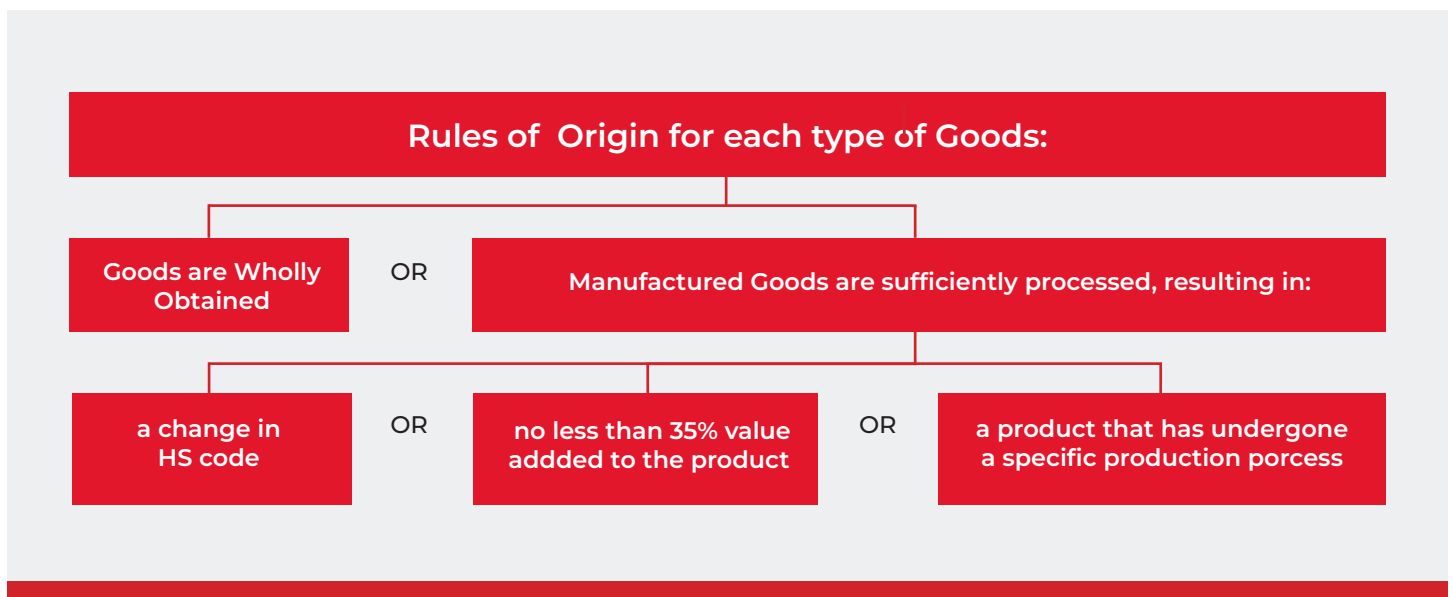
Exported goods, including those made in free zones, can either be:

- **'WHOLLY OBTAINED'** from the territory of a partner when such goods are grown, raised, fished, or mined in its territory, like agricultural products, oil and other types of minerals extracted from the earth.
- **'MANUFACTURED'** in the UAE that have been sufficiently worked or processed. In this case, manufactured goods may also contain materials and components from other countries, like electrical appliances and clothing.

Manufactured goods will be considered as 'originating' when:

- The manufacturing process results in a change in the product's Harmonized System (HS) codes.
- When the direct processing performed adds value to the goods that is not less than 35% of the ex-works value, if inputs of produce sourced from a Georgia these can be used to meet the 35% value added.
- In some cases, the product should undergo a specific manufacturing process.

Rules of origin (ROOs) are the requirements that goods must meet to be considered as originating in the UAE (or in the territory of a CEPA partner) to benefit from the zero-tariff or reduced tariff provided under the CEPA.



ROOs Administrative Conditions

To ensure that exported goods are not altered and can retain the origin status to qualify for preferential tariff rate, goods traded with Georgia must also meet certain administrative requirements, as follows:

- Exported goods must be **'DIRECTLY TRANSPORTED'** from the UAE to Georgia (or from the territory of a CEPA partner into the territory of the other CEPA partner). Modern transportation systems involve moving through other countries. The UAE-Georgia CEPA provides that goods remain under customs control and remain intact. Meaning that no further processing is allowed outside the UAE or the CEPA partner country.

- Exported goods must be supported by a UAE-Georgia CEPA **'CERTIFICATE OF ORIGIN'**

In the UAE, Certificates of Origin are issued by the Ministry of Economy and are valid for one year.

To obtain a Certificate of Origin (CoO) under a CEPA, visit

<https://www.moec.gov.ae/en/services>

Certificate of Origin (CoO) is a legal document that confirms the 'nationality' of a product and serves as a declaration to satisfy customs or trade requirements. CoOs are required for customs clearance procedures to determine duties or legitimacy of imports. It provides evidence of the product's origin, ensuring compliance with trade regulations and facilitating smooth customs clearance procedures.

In all cases, businesses must define the conditions, types, amounts, and sources of the components used, and the manufacturing process must be sufficient for the goods to be considered originating when exported to Georgia.

These records must be kept for at least three (3) years from the date the CoO is issued. The customs authority of Georgia may require retroactive verification of origin at any time during this period and will treat this information as confidential.

The Harmonized System (HS) code is an internationally standardized system of names and numbers to classify traded products developed by the World Customs Organization (WCO).

Standard Snapshot of an HS code

The HS code contains 98 Chapters which come into 21 sections, at the 8 digits level the HS code is structured as follows:

Chapter Number
Electrical machinery

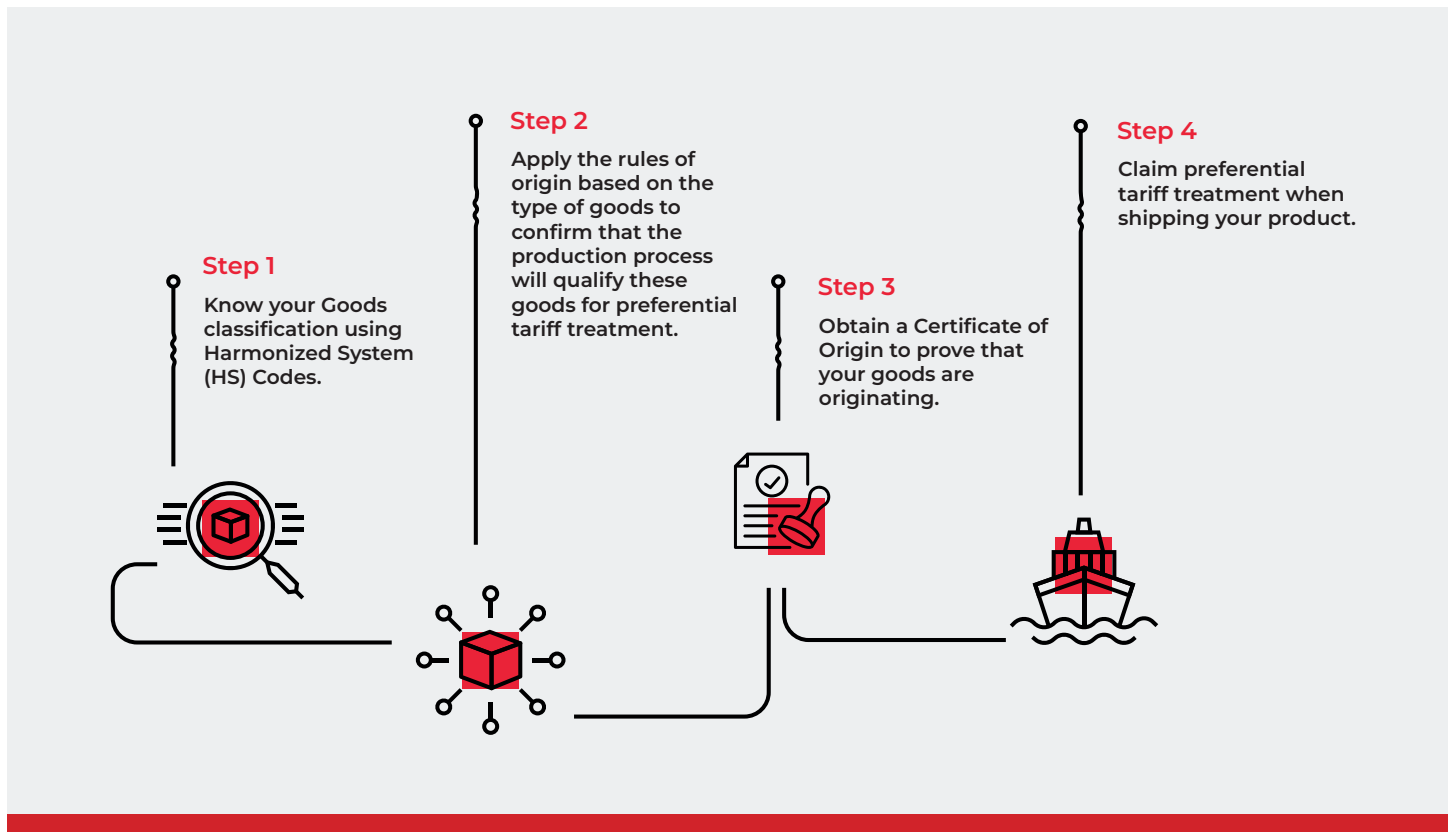
Subheading Number
Smartphone

8 5 1 7 . 1 3 . 0 0 0 0

Heading Number
Telephone set

Additional Digits
Define the duty rates and statistical classifications. These are country specific.

Basic Steps Needed to Claim Preferential Tariff Treatment Under the CEPA



Simpler Customs Procedures

The UAE-Georgia CEPA makes it easier for goods to move across the border in a simple, less costly, and timely manner.

CEPAs ensure that businesses:

- Have access to the legislations and procedures of the partner country.
- Get answers to reasonable inquiries on matters related to the CEPA.
- Obtain a decision in advance, known as an 'advanced ruling' from the customs authorities on the eligibility of the goods to benefit from the preferential tariff rate prior to export.
- Benefit from reducing unnecessary inspections by applying a risk management system as appropriate to the types of goods.
- Use expedited customs procedures on a case-by-case basis.
- Access administrative review and appeal procedures.

An 'advance ruling' is defined as a written decision provided upon request by the customs authorities to traders prior to the transaction to ensure transparency and certainty of the formal process for the treatment of goods with regards to the goods' tariff classification and rules of origin. This saves time and costs for exporters.

A Safety Net for Local Procedures

Importantly, local producers supplying the UAE market can be protected from unfair trading practices or unforeseen surges in imports of the same goods.

In certain cases, CEPAs allow for either Party to temporarily increase tariffs on goods provided that the increase is in accordance with international trade rules known as Trade Remedies agreed under the World Trade Organization.

These rules are reflected in the UAE's Federal Law No. (1) of 2017 on Anti-Dumping, Countervailing and Safeguard Measures.

UAE exporters facing such remedies in the Georgian market are guaranteed that investigations are conducted fairly and in accordance with international rules.

Exporters should contact the Ministry of Economy, which can help businesses preserve their access to the market through direct channels of communication set up by the CEPA.

Trade Remedies are temporary measures put in place to help protect businesses from unfair imports or import surges and can take the form of:

COUNTERVAILING DUTIES

To respond to public subsidies that provides companies with unfair advantages

ANTIDUMPING DUTIES

To balance out lower prices of imports due to sales at less than their normal values

SAFEGUARDS DUTIES

To address a surge of imports that cause or threaten to cause serious injury to the local industry

Trade in Services

The UAE's service exports have grown faster than the global average in the past decade. In 2022, according to the WTO, the UAE was ranked the 12th largest exporter of services in the world.

The service industry plays a crucial role in diversifying the UAE's economy, driving growth, and creating opportunities for investment and employment. The CEPA between the UAE and Georgia significantly supports this policy directive by enabling real market access for services, facilitating investments, and establishing rules and guidelines for trade in services.

Under the CEPA, businesses in the UAE will gain improved market access conditions with national treatment for a wide range of services compared to Georgia's other trade agreements.

Key Sectorial Benefits

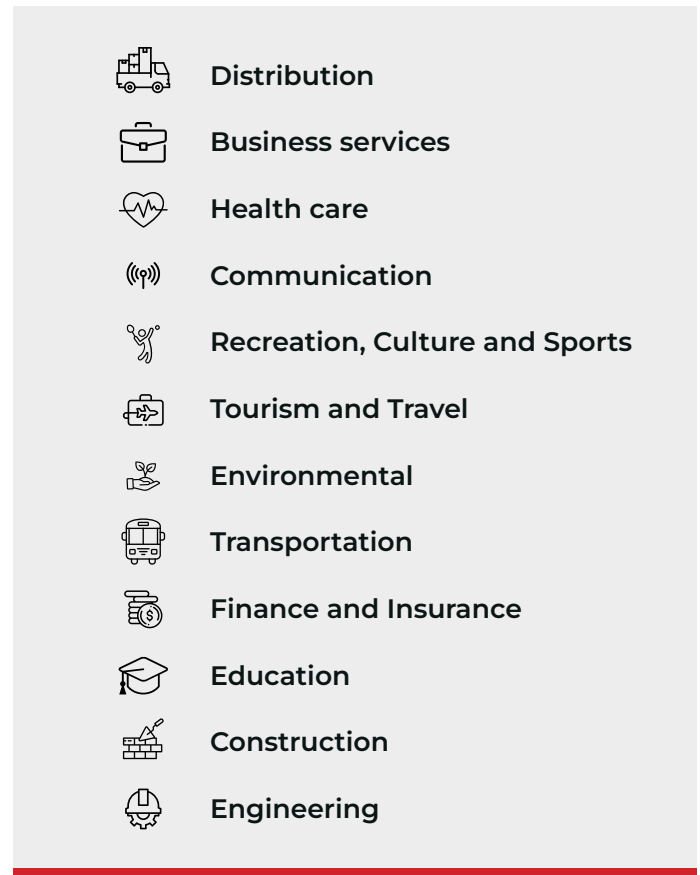
- The Annex on transport services opens channels for cooperation on infrastructure development for international transportation and logistics.
- Businesses in the maritime transport sector will receive non-discriminatory treatment for UAE-flagged vessels.
- Financial services and telecommunication services are sectors positively impacted by this deal with greater transparency and safeguard measures.

The CEPA requires the UAE and Georgia to ensure that service trade measures are carried out reasonably, objectively, and impartially.

In providing access to service providers, both the UAE and Georgia firmly agree that requirements and procedures for qualifications, technical standards, and licensing are essential for facilitating services. However, these measures must not create restrictions or undue difficulty in services trade.

Another key benefit from this CEPA is the UAE and Georgia's commitment not to impose restrictions on international transfers and payments for current transactions concerning their specific commitments to ensure real market access.

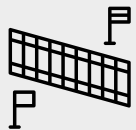
Key sectors receiving greater market access



Modes of Supply of Service

Under the Schedule of Specific Commitments in the CEPA, the UAE and Georgia have indicated the type of market access they intend to provide service providers of the other country and how these service providers would be treated in relation to those established within the country. These commitments are indicated for the different modes of supplying services identified by the WTO specific profile.

This guide helps identify the type of mode your business employs to deliver its services.



Mode 1: Cross-border

From one Member's territory to the other's territory, e.g., distance learning and telemedical advice.



Mode 3: Commercial Presence

Service is provided through locally established affiliates or subsidiaries, e.g. banks, hotels, and real estate companies.



Mode 2: Consumption Abroad

Territory of one Member to the service consumer of the other, e.g. tourists or students who have moved abroad to avail of the service.



Mode 4: Movement of Natural Persons

The service supplier of one Member is through the presence of their natural persons in the other territory, e.g. doctors, professionals, and other persons travelling to the other partner to deliver the service.

Businesses are encouraged to contact the Ministry of Economy to learn about the benefits and opportunities available when accessing the Georgian market.

Supporting Trade in the Digital Age

The continued growth of e-commerce and technological developments directly impact modern production, how businesses operate, and all sectors of the economy.

To ensure that digital trade flows are based on trust and confidence and therefore benefit both businesses and consumers, the CEPAs seek to bring greater coherency to an evolving digital trading environment, which is integral to today's global economy,

Digital trade refers to commerce enabled by electronic means, by telecommunications and/or ICT services, and covers trade in both goods and services.

Specifically, the CEPA maintains the practice of not imposing any customs duties on electronic transactions, reaffirms the importance of cybersecurity, and provides for an economic collaboration framework on digital trade issues between Georgia and the UAE.

CEPAs contain key disciplines to support trust and stability in digital trade, such as authentication and electronic signatures, online consumer protection, personal data protection, open data, and electronic invoicing and payments.





Recognizing the Importance of SMEs

Small and Medium-size Enterprises (SMEs) are the bedrock of the UAE economy and are considered vital for economic diversification and growth and for building national human resources.

In line with the National SME Program, UAE's CEPAs create value for SMEs that can equally benefit from the preferential trade and investment arrangements, as well as recognizes the specific needs of SMEs by making it easy to access information, build capacities and develop collaborations among public and private sectors on matters relevant to SMEs.

CEPAs Benefit SMEs through:

-  **Liberalization of Trade in Services & Goods**
-  **Enhanced Intellectual Property Rights**
-  **Access to Information**
-  **Dedicated Cooperation Channels**
-  **Opportunities in e-commerce**

Protecting Intellectual Capital

The CEPA complements existing international standards for protecting and enforcing intellectual property rights (IPRs) in a manner that is conducive to invention, innovation, and creativity.

The UAE-Georgia CEPA covers the various IPR subject matters, including Copyright & Related Right, Trademarks of all types such as 3D or colours, Collective Marks, Certification Marks, as well as Well-Known Trademarks, Patents, Industrial Design, and recognition of Geographical Indicators.

These obligations ensure that UAE right holders enjoy equal treatment to their Georgian counterparts.

Importantly, the CEPA maintains the UAE's right to take any measure to protect public health and public interest.

Intellectual Property gives the creator (e.g. an artist, a company conducting research and development) an exclusive right over the commercial use of that intellectual creation for a certain period.

Intellectual Property motivates people and companies to invest in innovation by ensuring that they can recoup their investments in both monetary and moral terms.

To know more about SME support programs visit

<https://u.ae/en/information-and-services/business/small-and-medium-enterprises>



Promoting Investment

The CEPA builds on the UAE – Georgia Bilateral Investment Treaty (BIT) that protects UAE investment in Georgia by ensuring that UAE investors are treated as favourably as Georgia treats its own investors and their investments or investors and investments from any third country. The BIT also ensures the right to transfer funds freely and places limits on expropriation while granting compensation.

The CEPA's focus is on ways to further encourage and promote investment through data collection and information exchange, as well as working together to identify investment ventures and remove impediments facing investors.

An Evolving Partnership

The UAE-Georgia CEPA contains future commitments designed to deepen trade and investment relations; these include:

- Collaborations mechanisms to provide additional advantages to authorized exporters.
- Opening opportunities in the government procurement market.
- Dialogue on competition policy.
- Dialogue and cooperation on Intellectual Property Rights.

Implementation and Cooperation

Joint committees, which meet annually, administer the various aspects of the CEPA. They help ensure that businesses fully benefit from the CEPA and that the agreement continues to deepen and adapt to the developments and challenges of international trade.

The UAE-Georgia CEPA contains a dispute settlement mechanism designed to preserve market liberalization and respect for trade commitments. The mechanism benefits all by providing a speedy and rule-based resolution of disputes, especially in cases of urgency, such as those that concern perishable goods or seasonal services.

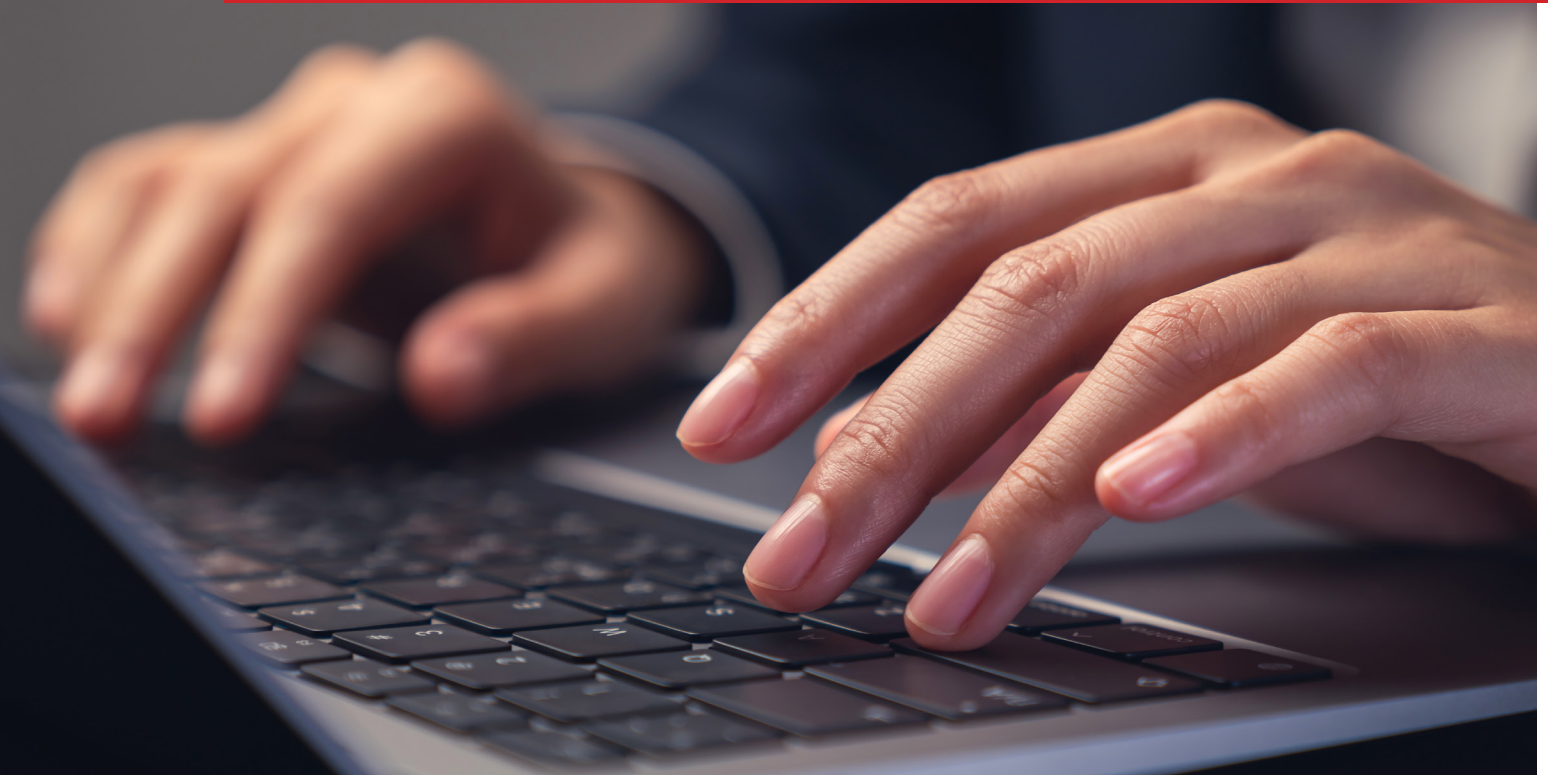
Finally, to support the utilization of the CEPA, the UAE and Georgia will work together to develop concrete business linkages among the UAE and Georgian trading communities and between the technical, technological, and scientific communities in both countries. This can be achieved through sharing information, exchanges of experience and expertise, and joint events and conferences.

Contact Us

The UAE will continue to consult with stakeholders through formal and informal mechanisms as we further develop our independent trade policy and work to expand our network of CEPAs.

We encourage private sector companies to share any feedback on issues that arise or barriers to trade in leveraging the benefits of this CEPA with our team at CEPA@economy.ae.

For more information and guides, visit www.moec.gov.ae/en/CEPA.





UNITED ARAB EMIRATES
MINISTRY OF ECONOMY

www.moec.gov.ae/cepa

cepa@economy.ae