

20th International Scientific Conference Economics and Management - 2015 (ICEM-2015)

## The Influence of European neighbouring policy upon the economic development of Georgia

Otar Abesadze<sup>a,\*</sup>

*13, Amagleba str. Tbilisi, 0105, Georgia*

---

### Abstract

**Purpose:** The main goal of the paper is to evaluate the impact of the effective neighbouring policy of Europe on the economy of Georgia.

**Methodology:** During the working processes there were applied the methods of analysis, synthesis, induction, deduction, statistical observation and grouping.

**Results:** Under the existing conditions for the relationships between Georgia and European Union there will be outlined the sharply defined legislative frames, the regulations of the inner market will introduce the modern standards in the field of industrial product and food safety, and the trade system will be formed to be compatible with the requirements of the market of European Union; Georgia will become the attractive country for investments. There will be revealed new possibilities in the direction of trade not only between Georgia and European Union but among other countries of the world as well.

© 2015 Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of Kaunas University of Technology, School of Economics and Business

*Keywords:* Euro-integration; Competitiveness; Politics; Economy; analysis.

---

### Introduction

The resolutions adopted under the European neighbouring policy and Eastern partnership and the reforms conducted in accordance with these resolutions are focused on creating the deep and comprehensive free trade area. Besides trading with goods this space includes the service trade and capital turnover. It means harmonizing the

---

\* Otar Abesadze Tel.: +995 577574488; fax: +995 32 2300032  
*E-mail address:* [o.abesadze@gmail.com](mailto:o.abesadze@gmail.com)

customs procedures and the legislation, which could regulate the companies, protect the sanitary and phyto sanitary norms. In order to be integrated with European market it is necessary to approximate the procedures of state purchases and the investment legislation to that of European, to provide with competition and to meet the standards of protecting the international environment and labour, to harmonize the energy industries, to protect the consumers' rights and intellectual property and so on.

Euro-integrative processes and the neighbouring policy of Europe are the subjects of a lot of scientists' researches, among them V. Papava, A. Silagadze, R. Putkaradze, N. Abesadze, N. Paresashvili, T. Atanelishvili, T. Kandashvili, L. Dzebisauri and others, but at the modern stage the great importance is attached to revealing the real tendencies characteristic to these processes. The works of these scientists consider the urgent issues of the Georgian economy, European convergent criteria, issues of realization of the Action Plan in Georgia in line with the European Neighborhood Policy and Eastern Partnership Initiative and so on.

The major goal of the study is to identify the major indicators of the impact of the European Neighborhood Policy on Georgian economy and provide their statistical analysis.

## Methodology

The article applied qualitative and quantitative methods of the data analysis, including treatment of statistical data, groups of data and inductive and deductive methods of the data analysis. Scientific researches apply consideration, supervision, as well as comparative, analytical, and graphical methods. Of the analytical methods, the method of absolute values and relative values, mean-value method, simple and analytical methods were used to show a tendency of a temporary row, and analytical indicators of a temporary row were calculated. The accent was made on the mean absolute increase and mean annual growth rate. After levelling the dynamic series levels, the prognostic indicators were calculated. Together with the simple methods of forecasting, so called ARIMA-type model of logarithm found by means of computer software Eviews-6 was also used.

## Results

Creating the deep and comprehensive free trade space between Georgia and European Union conditions to form the trade system, which would be compatible to the market of European Union. This will provide with establishing the transparent and stable environment for business; accordingly, there will be increased the investment attractiveness, which will cause the growth of the foreign investments. This will result in creating the new enterprises and export production; On the basis of increasing the scales of local production there will be created the new jobs and so on. Generally, the economic growth will be stimulated and the country will be developed economically: in the short-term perspective it is envisaged that the entire inner products (EIP) will be increased by 1,7%, and in the long-term perspective – by 4,3%. In the short-term perspective the export will be increased by 9%, and the import – by 4,4%, and in the long-term perspective export will be increased by 12%, and the import – 7,5%.

Association Agreement envisages gradual approximating of the Georgian legislation concerning trade to European legislation, which will provide with the free distribution of Georgian agricultural and industrial products at European market and also the delivery of the harmless and safe products to the local market. (Atanelishvili, Tamar 2014).

It is worth noting that in the process of negotiations the Georgian part achieved the unprecedented agreement with European Union in regard to the tariff liberalization. As soon as the agreement is enacted, all the products of Georgian origin (except garlic, which will be affected by the quantitative restriction), will be free of customs tariff when imported to European market. In the field of state purchases the approximation of the legislations will provide with the maximum transparency of the state purchases of Georgia and at the same time the admission of the products manufactured in Georgia and services to the market of purchases of the member countries of European Union. As a result of the approximation of legislations in the field of customs, the corresponding regulations of Georgia will be approximated to the progressive regulations of European Union, which will provide with simplifying the export/import procedures between Georgia and European Union and creating the transparent and predictable environment. In the field of service trade the approximation of the legislations allows to implement the further liberalization of the service markets, which envisages creating more favorable conditions for admitting the

Download English Version:

<https://daneshyari.com/en/article/1109162>

Download Persian Version:

<https://daneshyari.com/article/1109162>

[Daneshyari.com](https://daneshyari.com)