

Georgia on European Way: Creation of Effective Model for DCFTA and SME Strategy Implementation

Results of the DCFTA related mappings of Georgian SMEs and CSOs



- Survey methodology
- Mapping CSOs:
 - organization's profile
 - scope of activities
 - awareness about the DCFTA
- Mapping SMEs:
 - general profile
 - export potential
 - awareness about the DCFTA
- SWOT analysis of the surveyed SMEs

Methodology of mapping CSOs

Sample included CSOs that are:

- Legally registered in Georgia's regions;
- Actively implementing activities in the regions;
- Priority – to CSOs working on DCFTA-related topics: regional development, promoting entrepreneurship, European integration and advocacy.

Methodology of mapping SMEs

Sample included SMEs that are:

- Legally registered and operating in Georgia's regions;
- Fit the legal definition of SME;
- Producing goods that could potentially be exported (not service providers).

Survey methodology

- Desk research;
- Snowball method sampling;
- Semi-structured questionnaires, filled online, over the phone and via field research;
- CSOs: 16 questions: general profile, scope of activities, target groups, communication tools;
- SMEs: 31 questions: general profile, assessment of export potential, awareness level about the DCFTA.

Mapping CSOs: 168 local organizations

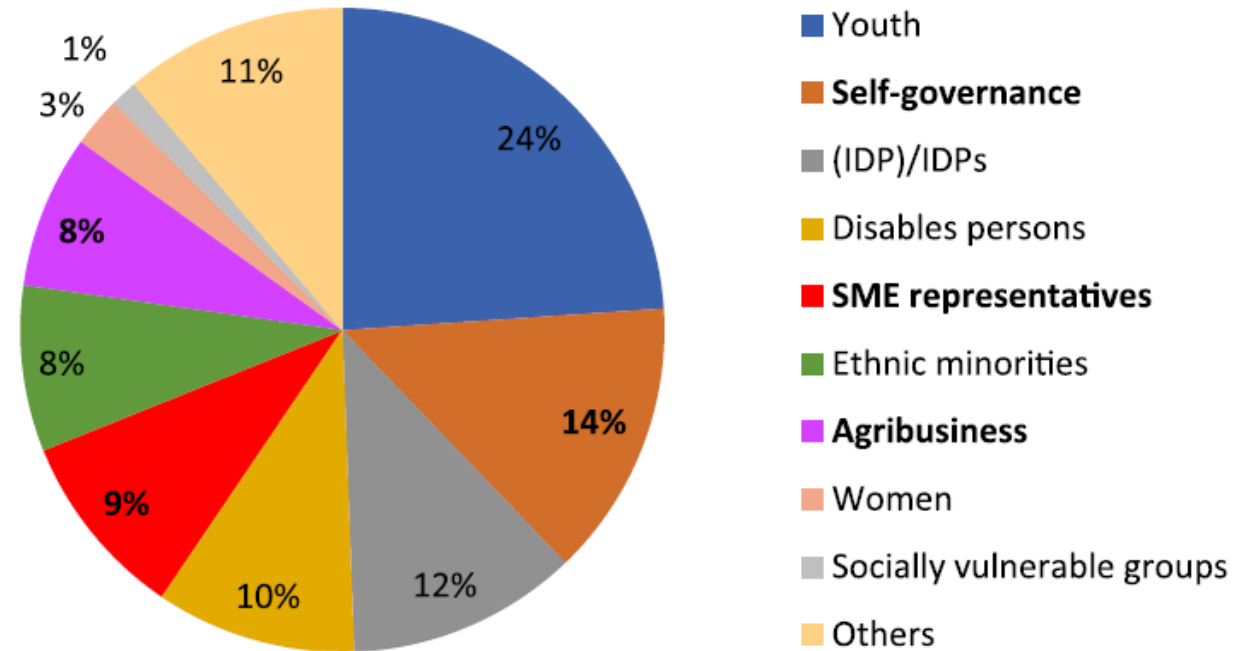
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Scope of activities of local CSOs

- Only 9% mentioned SMEs among the main target groups
- Agribusiness – 8%
- Self-governing bodies – 14%
- The most popular target group is youth

The biggest number of CSOs working with SMEs and agribusinesses were found in Samtskhe-Javakheti, Adjara A.R., and Kakheti.



Scope of activities of local CSOs

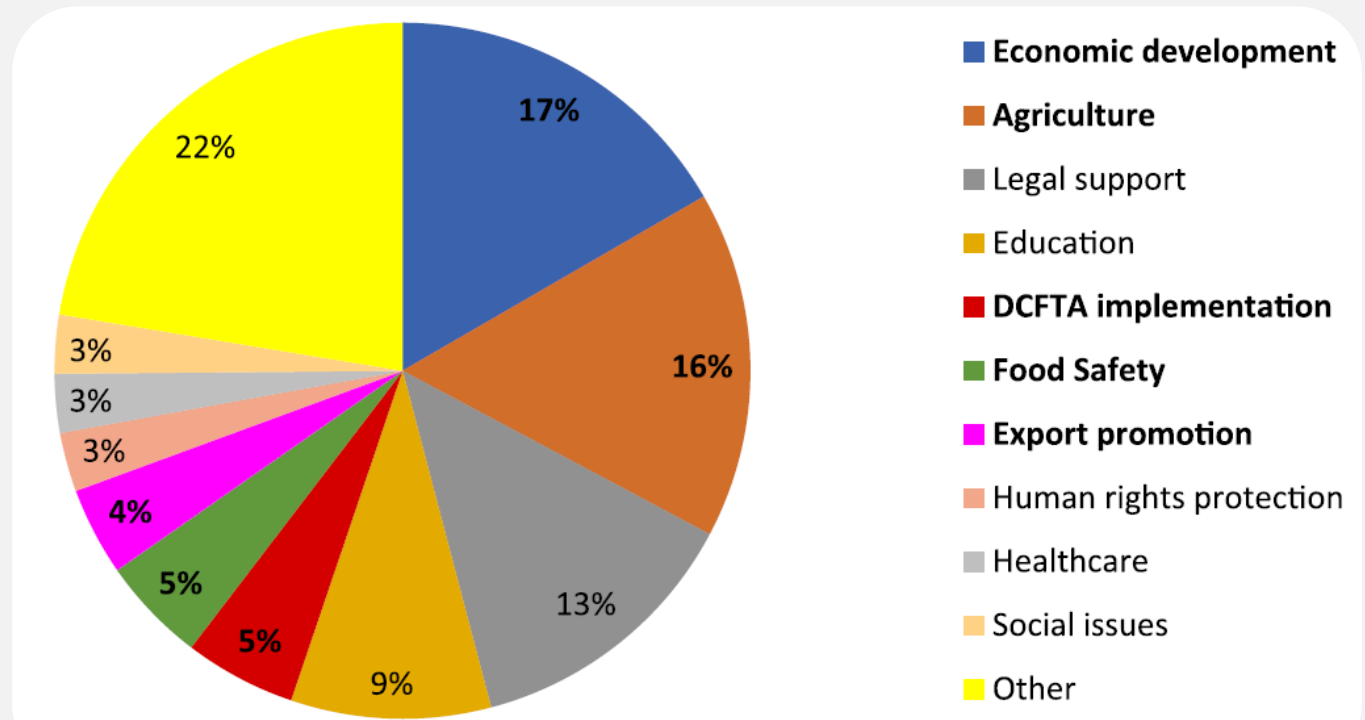
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5% of respondents work directly on DCFTA implementation

17% work on economic development

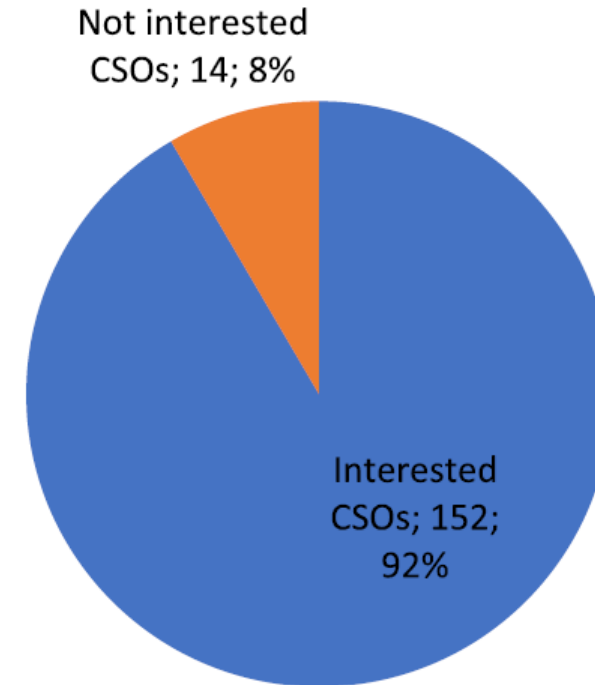
16% on promoting agriculture

Topics relevant to DCFTA (economic development, agriculture, DCFTA, food safety and export promotion) are most covered in Samegrelo-Zemo Svaneti, Samtskhe-Javakheti, Adjara A.R. and Shida Kartli regions.



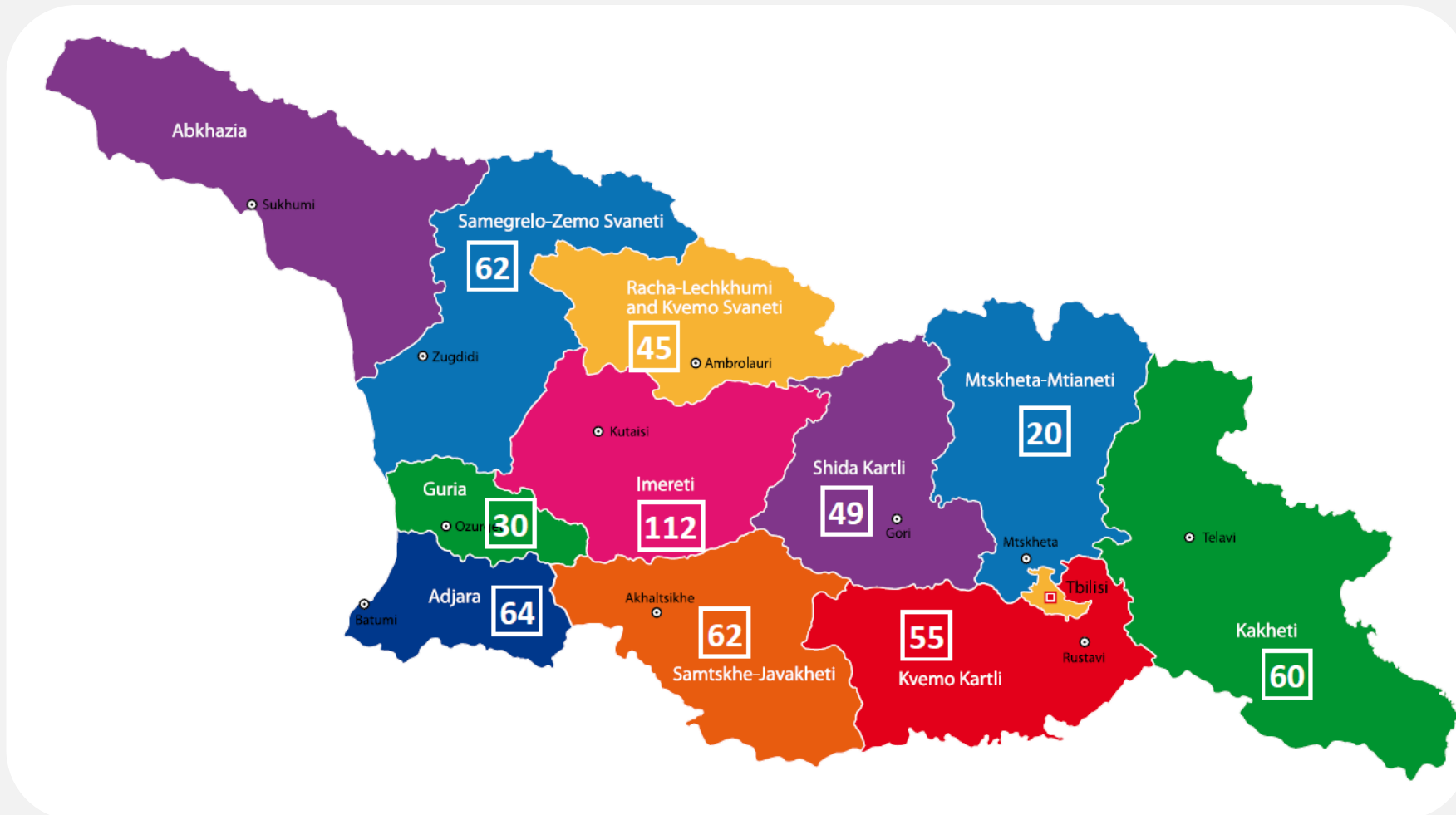
Awareness about DCFTA

- 152 surveyed CSOs expressed interest to take part in DCFTA implementation in Georgia (92% of respondents).
- Of those who are interested, 100% need additional information or training on DCFTA related issues.



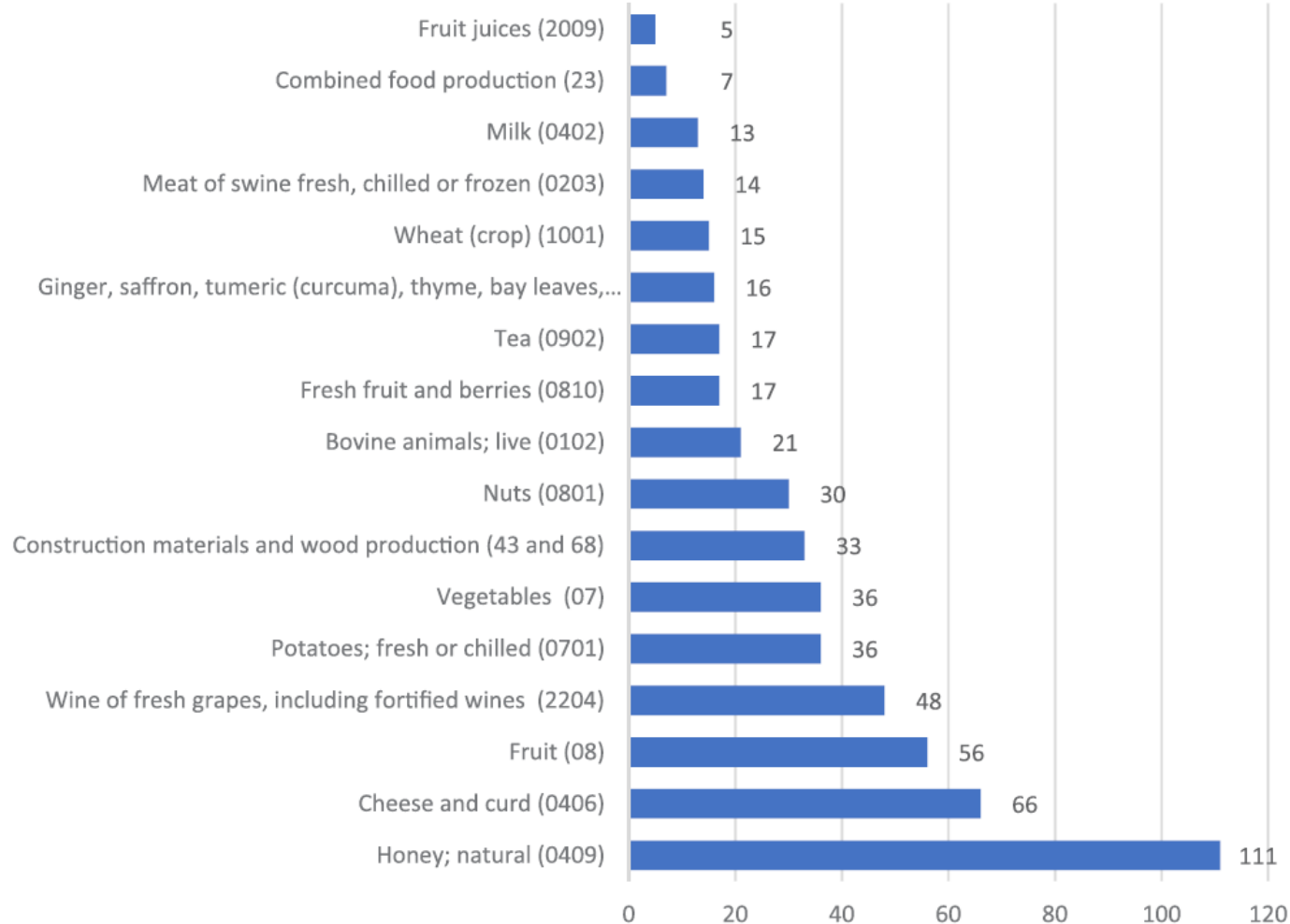
SME survey: 559 local enterprises

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Production areas of interviewed SMEs

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Production of interviewed SMEs by region

REGION/ FIELD OF ACTIVITIES	PRODUCT 1	PRODUCT 2	PRODUCT 3
Adjara A.R.	Honey	Construction materials	Fruits
Guria	Tea	Wine	Nuts
Imereti	Honey	Wine	Nuts
Kakheti	Cheese	Wine	Livestock
Kvemo Kartli	Honey	Cheese	Potatoes
Mtskheta-Mtianeti	Fruit/Dry fruit	Spices	Wheat
Racha-Lechkhumi and Kvemo Svaneti	Honey	Wine	Meat
Samegrelo-Zemo Svaneti	Nuts	Bay leaves	Honey
Samtskhe-Javakheti	Cheese	Honey	Potatoes
Shida Kartli	Fruit	Vegetables	Fruit juices

Assessing export potential

23% of surveyed SMEs export their products.

Biggest proportion of exporters are in Guria, Imereti and Adjara A.R.

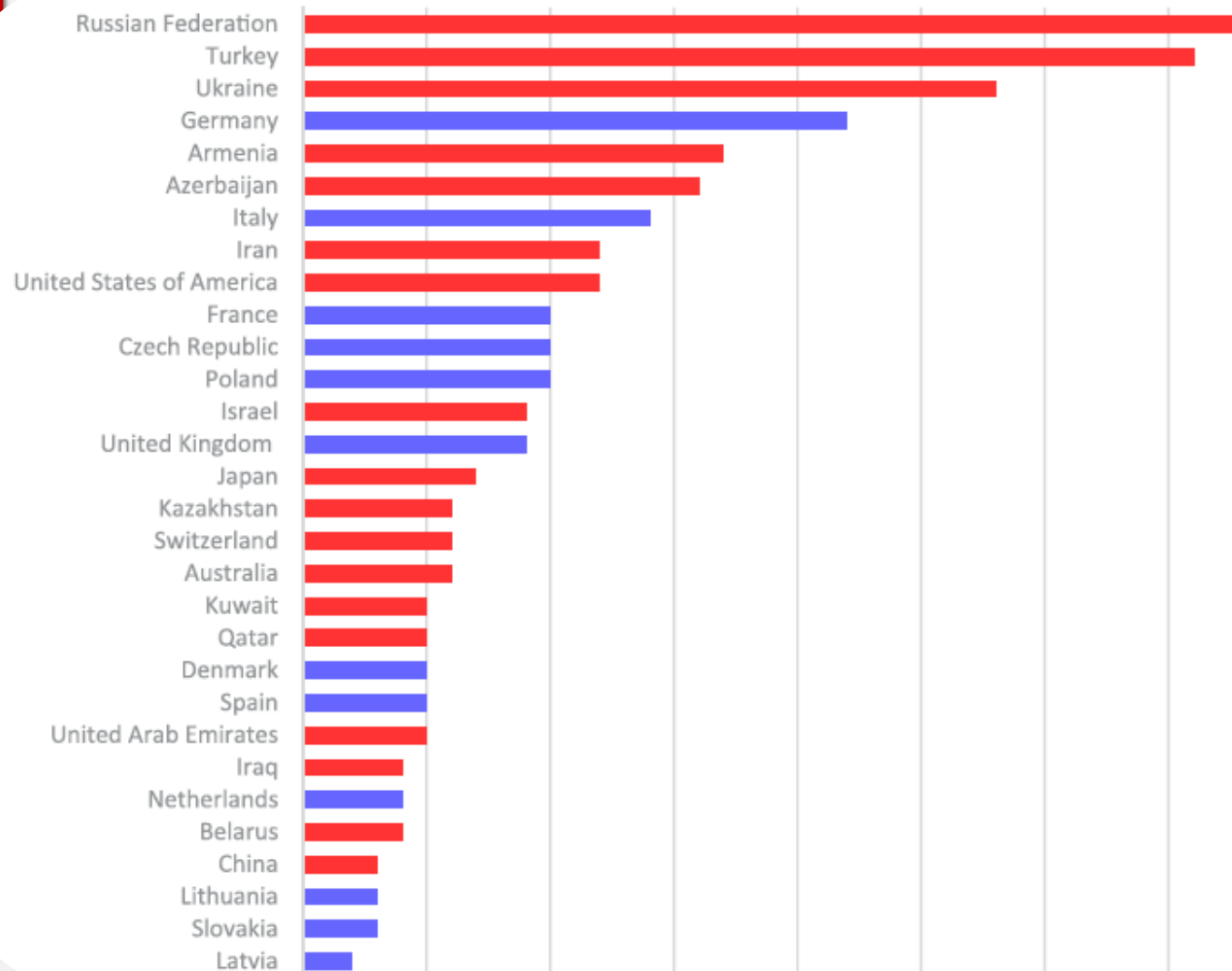
From those that export:

- 15 % export to the EU,
- 27% - to both EU and other than EU market,
- 58% - to other than EU market.

54% of respondents plan to start exporting, either to the EU, or to other than EU market.

Countries to which SMEs export their products

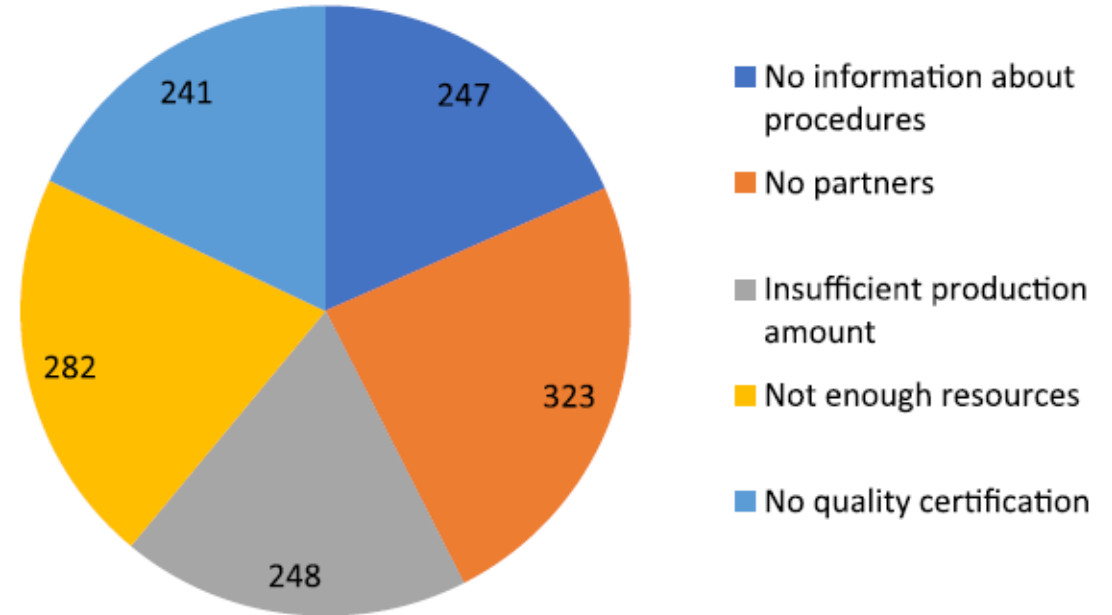
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Obstacles to export to the EU single market

- Lack of partners in the EU countries;
- Lack of information about the procedures for exporting to the EU single market;
- Production volumes are small and insufficient for exporting;
- Lack of resources to produce enough for export;
- Not having quality certification required for exporting to the EU single market.

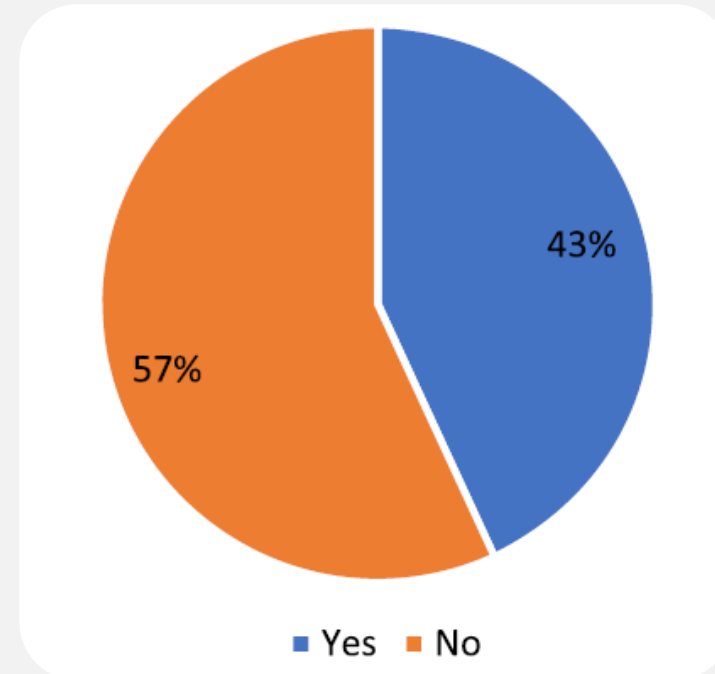


Certification

73% of respondents do not have any certification, but...

43% plan to apply for certificates/standards in the near future.

This applies to majority of respondents from the Adjara A.R. (62.7%) and Racha-Lechkhumi and Kvemo Svaneti (53.3%).



Awareness among DCFTA among local SMEs

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Majority of interviewed SMEs are informed about DCFTA: 62%

The most informed regions are:

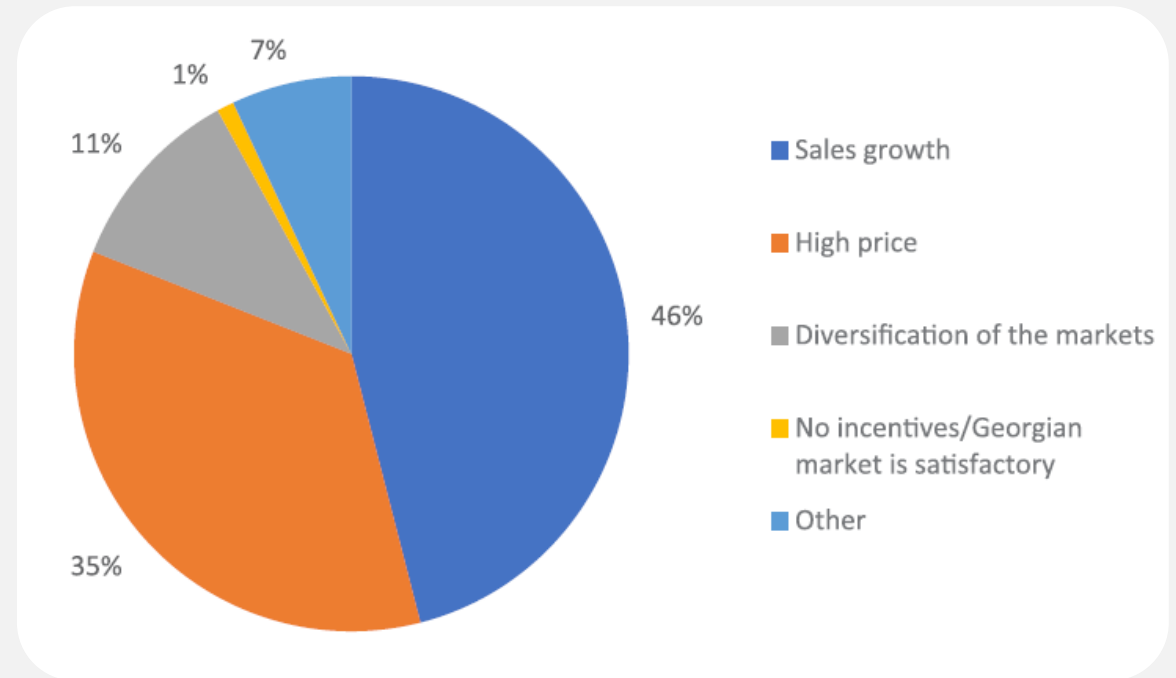
- Samegrelo-Zemo Svaneti: 72%
- Samtskhe-Javakheti: 72%
- Racha-Lechkhumi and Kvemo Svaneti: 67%

The least informed region – Kvemo Kartli (39%).

From all 559 interviewed SMEs, only 1 assessed DCFTA implementation negatively. The respondent was not informed about DCFTA.

Main incentives for exporting into the EU

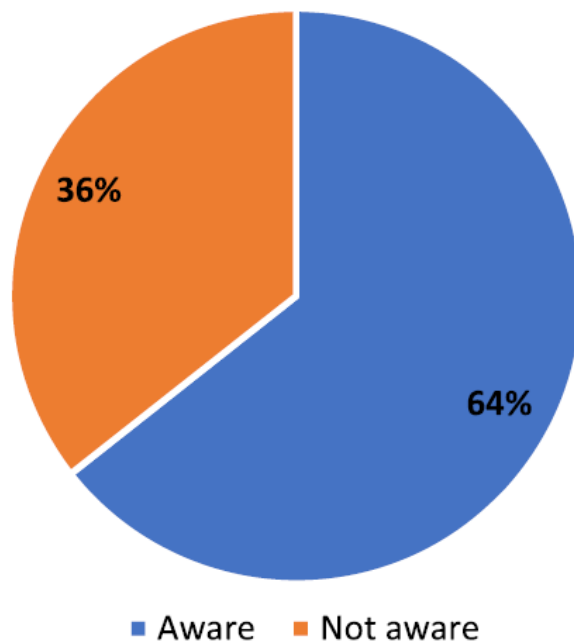
Nearly half of SMEs- 46% - as the main motivator listed sales growth;
35% - high prices in the EU market;
11% - export diversification opportunities.



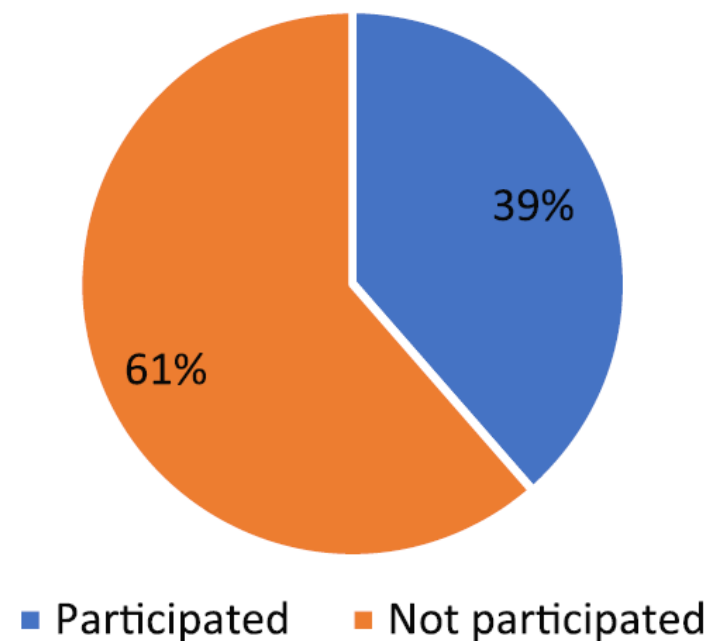
Awareness and participation in SME support programs

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2.24. Awareness of SME support programs

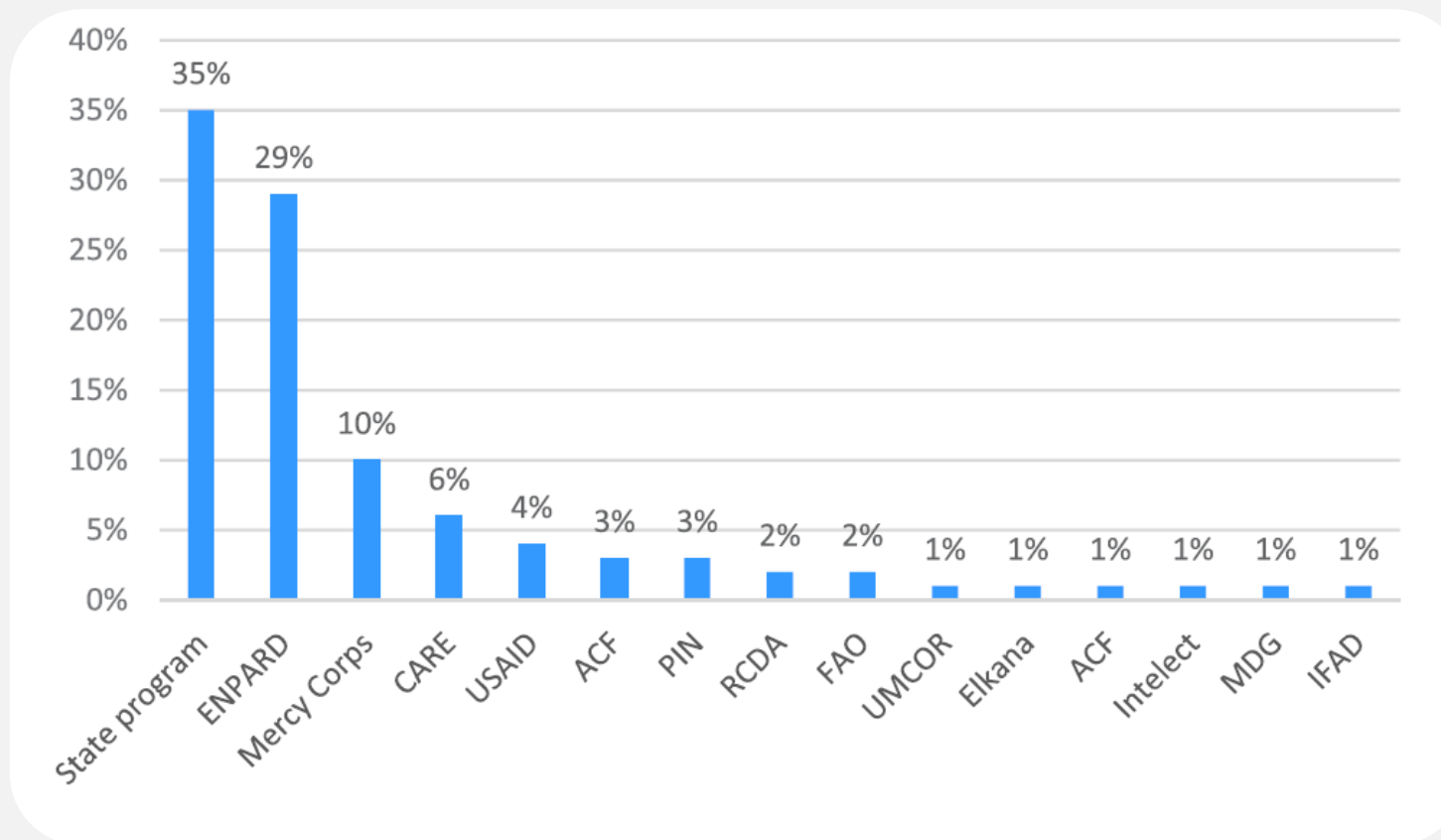


2.25. Number of SMEs participating in SME support programs



Support programs in which SMEs have participated

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- Survey results in English and Georgian: www.eesc.lt/en
- Project FB: www.facebook.com/GeorgiaDCFTA/
- Official website: www.GeorgiaDCFTA.ge
- Email: info@georgiadcfta.ge, dovile.sukyte@eesc.lt

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