

# Interview

## Rich in Agricultural Tradition

An Interview with The Honorable Bakur Kvezereli,  
Minister of Agriculture of Georgia



The Hon. Bakur Kvezereli

**EDITORS' NOTE** Bakur Kvezereli graduated from Georgian Technical University, Faculty of System Management, specializing in Economic-Informatics in 2002. In 2005, he graduated from Georgian Technical University with a master's degree, specializing in Bank Affairs, and also passed the short course on the subject "Effective Use of International Assistance" at Tokai University, Tokyo. From 2002 to 2003, he was the Assistant to the Minister of State Property Management. From 2003 to 2004, he was a Specialist in the Apparatus of the Ministry of Economic, Industry and Trade. He was the State Chancery of Georgia, Regional Economic Division from 2005 to 2006. In October of 2006, he became the Deputy Minister of the Ministry of Agriculture, and in April 2008, he was appointed to his current post.

**Would you provide an overview of the agriculture industry in Georgia?**

Georgia is rich in its agricultural traditions, as well as in its favorable and diverse agri-climate and renowned soil-structure conditions. We have a number of export commodities and plenty of products for local consumption. Until 2006, the main market for Georgian products was Russia. Since then, however, Russia has banned all Georgian products, including agricultural goods. Accordingly, we have diversified our export aims to different markets and, last year, agricultural exports

increased by 25 percent when compared with 2008. Our export commodities in 2009 were mainly wine, mineral water, hazelnut, fruits, and sheep, to name a few. The average productivity per hectare is not currently ideal, but we are working to develop this further. Most importantly, there is opportunity to increase productivity in the agricultural sector by expanding the use of certificated seeds, and drip irrigation, among other modern, more effective methods of production.

**What opportunities are there for foreign investment in the agriculture sector in Georgia?**

FDI (Foreign Direct Investment) is a main force behind the Georgian economy. In the agricultural sector, Georgia already has existing foreign investment. Italian, German, and French interests have invested considerably in the Georgian wine industry in the past. Last year, the baby food producer HIPP invested in our fruit-processing industry. Georgia's agricultural sector is both open and flexible for foreign investment, and there

export goods without the burden of custom tariffs.

**A new agricultural storehouse was recently opened in Rustavi. Why are the storehouses so important to the agriculture business in Georgia?**

Off-season prices of vegetables and fruits are 10 times greater than their corresponding in-season prices. The main reason for this is agricultural infrastructure, i.e. greenhouses and storehouse facilities. We are very limited in our capacity to produce and store agricultural products in the winter months. Consequently, as I noted before, the prices are dramatically higher during these off-season months. The new storehouse in Rustavi is a positive step forward. Indeed, this sub-sector of our agricultural economy is noticeably underdeveloped, but on the other hand, there are undeniable opportunities for growth, expansion, and greater investment to be considered. In terms of Georgia's location, it is important to recognize that here is a great opportunity to store East European agricultural goods prior to export to Central Asian countries during the off-season, as well as to produce and store Georgian agricultural goods – which are measurably less expensive – for East European markets.

**You recently met with the representatives of wine-producing companies in Georgia. What opportunities do you see to increase the export of Georgian wine?**

Currently, Georgia has a strong market in North America – the United States and, to a lesser extent, Canada. First and foremost, we're planning to increase wine export to these countries. The meeting with the wine-producing representatives was oriented towards developing a public relations campaign to promote Georgian wine in North America. This is due to begin this summer. Furthermore, we are all very excited in anticipation for this summer because, in June, we are hosting the biggest wine event, the OIV's (International Organisation of Vine and Wine) 33rd World Congress of Vine and Wine, and the 8th General Assembly of the OIV. We are honored to be hosting such a prestigious event, and we are hoping to increase the popularity of the Georgian wine industry – an industry which is both great in its historical traditions, as well as its encouraging future. ●

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are tremendous opportunities for those looking to invest in the future. On another note, as a result of free-trade agreements with CIS countries and Turkey, and GSP+ agreements with the E.U. and the U.S., sizeable opportunities have been created for Georgia to