

Forging new and important ties

By RT HON. GREG HANDS M.P.

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GREG HANDS has been Minister of State for Business, Energy and Clean Growth, United Kingdom since 2021. He was previously Minister for Trade Policy from 2020-2021, a role he previously held from 2016-2018. He also served as Minister for London and Chief Secretary to the Treasury. He has been MP for Chelsea and Fulham since the constituency's creation in 2010, and prior to this was MP of Hammersmith and Fulham from 2005-2010. He holds a degree in Modern History from Robinson College, Cambridge.

For the first time in almost 50 years, Britain is back as an independent sovereign trading nation. We are building bridges with old friends and new partners, and sculpting our future as an outward-facing, trail-blazing, free trading nation: a truly 'Global Britain'. We have already agreed trade deals with 67 countries in addition to the European Union, covering £730 billion of UK bilateral trade in 2020.

This year we are going further, building closer links with fast-growing and like-minded nations around the world to catapult the best of British exports worldwide.

We are pursuing trade deals with Australia, Zealand, and the United States, starting more advanced agreements with countries such as Canada and Mexico, and have formally applied to join the CPTTP – a huge Pacific free trade area covering some of the world's fastest-growing economies, representing almost £9 trillion of GDP in 2019.

By coupling *Global Britain* with the world's most vibrant, high-growth economies, we are not only securing opportunities for our businesses today, but building stronger economies for ourselves and key partners across the globe tomorrow. I have no doubt that Georgia will be one of those key partners.

Since 1991, our diplomatic ties have been strongly rooted in our shared values and common interests. I visited Georgia in 2001. Today – in trade terms, our ties are now cemented by the *UK-Georgia Strategic Partnership and Cooperation Agreement*, which entered into force at the beginning of the year.

This Agreement also provides the basis for the UK's new trading relationship with Georgia. It largely replicates the EU-Georgia Association Agreement, and ensures that businesses and consumers in both countries will continue to benefit from preferential access to one another's markets in both goods and services.

This will underpin our already strong and mutually beneficial economic ties, of which there are many. On the high street, Georgian wine is increasingly sold in British supermarkets and independent retailers. And on the streets of Georgian towns and cities, branches of British brands like InterContinental Hotels, Marks and Spencer, Topshop, Next, Monsoon and Matalan are numerous. But there are also less visible signs.

As a 'gateway to the world' and global financial centre, the United Kingdom has long been a trusted centre

for international partners to source and raise capital. In the case of Georgia this has included a bond issue on behalf of the Georgian government and JSC Georgian Railways, raising US\$1 billion from international investors. Several of Georgia's financial institutions, such as TBC, Bank of Georgia and Georgia Capital, also benefit from access to global financial markets through their listing on the London Stock Exchange.

Realising the potential of Georgia's dynamic and open economy, and its strategic location between Europe and Asia, UK businesses have been amongst the largest FDI investors in the country. BP was a forerunner with the development of the oil and gas pipelines running through Georgia from the Caspian. Investments by others in transport, tourism and real estate have followed, and UK businesses continue to be interested in new opportunities.

In the energy sector, Georgia's great water resources and strong hydro power sector offers great potential for UK-Georgia partnership in Green Hydrogen, in which the UK is an acknowledged world leader – supporting feasibility research and development as we make the global transition to Net Zero.

Recognising Georgia's increased potential as a trading partner, UK Export Finance recently made an extraordinary 8-fold increase in its 'cover' to companies operating from the UK exporting to Georgia, from £500 million to £4 billion. This is one of the sharpest increase in the region, and will provide UK Government support to exporting companies with matters such as financing terms to their buyers, supporting working capital loans, and insuring against defaults.

As we slowly emerge from the economic effects of the Covid-19 pandemic, and the UK leverages its new found status as an independent, free trading nation, boosting Georgia-UK trade ties will play an important role in both countries' recoveries. The 'new normal' of the post-pandemic landscape will be fertile ground for innovations and the development of new technologies across a whole range of sectors, offering powerful potential for extending mutually beneficial opportunities.

And as our political and trade relationship continues to flourish, I have no doubt that Georgia's dynamic, entrepreneurial start-up economy, and the UK's deep base of experience, technical know-how, and access to financial capital, will have great potential in realising those opportunities.