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THE CAUCASUS' CHANGING TRANSPORT SYSTEM

by Andrew Reed

As transportation infrastructure develops in the southern Caucasus (Armenia, Azerbaijan, and Georgia), many opportunities are becoming available to U.S. firms. The Soviet transportation system was highly centralized and was mainly limited to internal (inter-USSR) traffic. Since the breakup of the USSR, there has been a shift to East-West trade routes and toward more road transport, necessitating new roads and other transport lines. The existing infrastructure is now in a deteriorated state and cannot accommodate the volume of goods flowing to and from the Caucasus and Central Asia. Multilateral development banks are planning numerous infrastructure improvement projects for the region. The new transportation system will enable the economic integration of Armenia, Azerbaijan, and Georgia with each other and with neighboring regions and the West. In the process, it will bolster the economic and political independence of these countries. New trade

patterns demand the development of an East-West transport corridor and more flexible means of transport.

Infrastructure

The focus of development in the transportation sector is the East-West transport corridor. Its primary components are road and rail transport, ports, and pipelines (which are not discussed in this article). The main artery of the East-West transportation corridor between Georgia and Azerbaijan extends across the Caspian Sea to Central Asia. The artery is linked to Armenia from Georgia. Armenia's link to Georgia is vital, as Armenia is isolated from Azerbaijan and Turkey due to the unresolved Nagorno-Karabakh conflict. From western Georgia, links by sea to other Black Sea countries and by land to Turkey are opening the Caspian region to increased trade with the West.

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CAUCASUS BUSINESS GROUPS FORM REGIONAL ALLIANCE

by Ellen House, BISNIS Washington, DC

Private sector organizations in the three Caucasus countries have taken an important step toward building regional ties and strengthening cooperation. Meeting in Tbilisi on April 6-7, board members of the American Chambers of Commerce in Georgia and Azerbaijan, and the organizers of the Chamber in Armenia, with ex-officio members from U.S. Embassies in all three capitals, endorsed a cooperative alliance. Signing a memorandum of understanding, they established an institutional structure, agreed on aims and objectives, selected priorities, and drew up a plan of action. The chambers believe that this is the first cooperative group of its kind in the Caucasus.

Amchams Promote Regional Cooperation

The American Chambers of Commerce are nonprofit

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Map of the Caucasus Region

The America-Georgia Business
Development Council
announces its
third annual conference

Georgia: Crossroads of Global Business

October 5-6, 2000
Sheraton Metechi Hotel
Tbilisi, Georgia

Co-organized by:
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Useful Websites for the Caucasus Countries

Georgia

America-Georgia Business Dev. Council www.agbdc.com
Georgian Embassy in Washington www.georgiaemb.org
U.S. Embassy Tbilisi web.sanet.ge/usembassy
Georgia Development Gateway www.georgia-gateway.org
Georgia Privatization Ministry www.georgia.net.ge/mospm
Sarke Information Agency www.sarke.com
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Embassy of Armenia in Washington www.armeniaemb.org
U.S. Embassy in Armenia www.arminco.com/embusa/
U.S.-Armenia Business & Investment Assoc. www.usabia.org
Central Bank of Armenia www.cba.am
Haik Institute Database www.arminco.com/Armenia/haik.html
Snark News Agency www.snark.am

Azerbaijan

American Chamber of Commerce www.amchamaz.org
U.S. Embassy Azerbaijan www.usembassybaku.org
Embassy of Azerbaijan in the U.S. www.azembassy.com
U.S.-Azerbaijan Council
<http://ourworld.compuserve.com/homepages/usazerb>
President of Azerbaijan site www.president.az
Business Information Site of Azerbaijan www.top.az
City of Baku website www.baku.com

Regional

Caspian Finance Center www.caspianfinance.com
TRACECA (Transport Corridor Europe Caucasus Asia)
www.traceca.org
RFE/RL (Radio Free Europe/Radio Liberty) Caucasus Report
www.rferl.org/caucasus-report/index.html
Caucasuswatch.com www.caucasuswatch.com

LEGISLATIVE PROGRESS IN THE CAUCASUS COUNTRIES

by Judith Robinson, BISNIS Washington, DC

After seven decades of Soviet rule, the three Caucasus states of Georgia, Armenia, and Azerbaijan are well down the road to a market-oriented economy, surviving along the way extreme socio-economic and cultural changes. Concepts basic to the conduct of Western-style business—e.g., private ownership of property, especially intellectual property, and the sanctity of a business contracts—are novel concepts; these were not germane to the old centralized economy. These countries have also suffered the byproducts of radical transition: economic disruption, widespread scarcity, mistrust and inconvenience disregard of newly written laws, and corruption.

Each Caucasus state, often in consultation with Western legal experts, has passed or drafted a Constitution, Civil Code, and Tax Code. Each has created its own framework of written laws regulating domestic and international flows of goods and services, and each participates in a range of bilateral and multilateral agreements and organizations.

cial and national banks, and insurance. A new stock exchange is operating. Work on reform of the Tax and Revenues Ministry is proceeding apace, along with judicial reform aimed at improving the standard and competence of Georgia's judges and the quality of decisions.

Armenia passed new laws on trademark, copyright, procurement, and securities markets in 1999, following new Tax and Civil Codes (1998). Most recently, a new Criminal Procedures Code was adopted. Progress has been made in converting from Soviet-style accounting standards to international accounting standards, which provides tax incentives and facilitates tax reporting for foreign-owned firms and joint ventures. Negotiations are under way for WTO membership. Highly dependent on foreign trade, Armenia has virtually no limitations on currency conversion and transfer of funds abroad, a freely convertible currency, and adequate domestic financial institutions.

Azerbaijan expects a new Civil Code and its first Tax Code by end 2000. It has just reduced the top income tax rate from 40 to 35 percent, the profit tax from 30 to 27 percent, and employer's social insurance contributions from 35 to 33 percent. A new Labor Code unifies labor and employment law and mandates employment contracts. New Land and Civil Procedure codes clarify foreign investor rights and obligations. Critical laws took effect in

	Foreign Investment Laws	WTO	Trade Agreement	Bilatera Investm Treaty
Georgia	Yes, <i>On Promotion and Guarantees of Investment Activity-1996; On Entrepreneurship-1994</i>	Yes	Yes	Yes
Armenia	Yes, <i>On Foreign Investment -1994</i>	No	Yes	Yes
Azerbaijan	Yes, <i>On Protection of Foreign Investments-1992</i>	No	Yes	No, BIT signed! Senate pending

New laws in each country regulate a host of commercial activities; for example, formation of commercial entities and contracts, banking and currency, pledge, leasing, insurance, natural resources development, and real, movable, and intellectual property rights. Tax laws essential to the state treasuries have been passed. Taken together, the effect of this legislation is to:

- set forth the guidelines and establish the consistency required by firms engaged in international commerce,
- create conditions for foreign investment, which is greatly needed to jump start their development engines, and
- define and regulate the taxes that must now generate public revenue.

New Developments

Georgia joined the World Trade Organization (WTO) this year following passage of well-drafted laws creating a favorable investment climate. New Criminal and amended Customs codes and an anti-corruption law are in place, following laws on oil and gas, patents and trademarks, commer-

the past year on limited liability companies, environmental protection, insurance, and energy, and the justice system. New rules regulating privatization set the stage for more sales of state property under a 2000-2002 draft program.

Still imperfect or incomplete, the new laws have tended to change far more frequently than is desirable for commercial stability. Beyond passage of written laws, there also remain issues of interpretation, arbitrary application, capricious enforcement—or lack of it, and dispute resolution. In each country, the rule of law has been impeded by government influence, bureaucracy, and the significant role of personal contacts. Enforceability of contracts has been hampered by a lack of independent, impartial, and objective courts. Corruption can at times be pervasive. Tax evasion is an issue, and foreign companies, with their high visibility, are often subjected to more rigorous enforcement. Nevertheless, within Georgia, Armenia, and Azerbaijan there is growing respect for the rule of law, and recognition of its importance to international trade and investment.

(ALLIANCE, continued from p. 1)

organizations aimed at assisting current and potential U.S. companies doing business in the Caucasus. The first regional meeting of Caucasus chambers, which included only the Georgian and Azerbaijani groups, was held in Baku in January 2000, in conjunction with the annual heads of missions conference hosted by U.S. Embassy Azerbaijan.

During the second (April) meeting of the regional amchams in Georgia, the three groups stressed commonality of business interests in the region and signed a memorandum of understanding on forming a cooperative alliance. Some stated aims and objectives of the new alliance are:

- .. Promote economic and commercial relations among and between the Caucasus states and the United States;
- .. Promote economic and commercial relations between the Caucasus, Turkey, and Central Asia;
- .. Protect and promote the economic interests of members;
- .. Assist individual members of the different amchams to develop economic and commercial activity in the region;
- .. Strive for constructive solutions to economic issues relevant to the region;
- .. Harmonize legislation and standards between the different countries of the region;
- .. Improve the investment climate in the three countries; and
- .. Organize conferences and seminars to promote trade and investment throughout the region.

Alliance Goals and Priorities

At the April meeting, Chamber members designated the following as alliance priorities aimed at improving trade efficiency in the region:

1. encouraging changes to the customs and tax regimes, including harmonization of customs legislation, standardization of documentation and procedures, and implementation of streamlined clearances;
2. increasing trade among Caucasus countries, including by improving transport infrastructure;
3. examining the commercial impact of embargoes and sanctions;
4. promoting tourism; and
5. promoting ethics in business and government, including anticorruption initiatives.

The overall intention of the alliance is to increase business in the entire region through two approaches: encouraging U.S. companies already operating in one Caucasus country to consider opportunities in the others and encouraging Turkish-American joint ventures to examine business opportunities in the Caucasus. The second approach builds on a U.S. Government program that took place in October 1999, which brought companies from Georgia, Armenia, and Azerbaijan to Istanbul to meet with American companies and their Turkish partners. (A second trade mission to Istanbul is being organized by the four interested U.S. Embassies for September 2000.) In addition to working to attract more U.S. business into the region, the chamber alliance will seek in-

American Chamber of Commerce in Armenia
Hotel Armenia, 1 Amirian Street, Yerevan 375010
Tel: +374 (1) 599-450, 599-559, 599-558
Email: amcham@acc.am
Executive Director, Nanik Melkomian
President, Anil Sampat
The chamber was founded in January 2000 and currently has some 30 members.

American Chamber of Commerce in Azerbaijan
Landmark Business Center
96 Nizami St., Suite 203, Baku 370000
Tel: +994 (12) 971-333; Fax: +994 (12) 971-091
Email: info@amchamaz.org
Website: <http://www.amchamaz.org>
Executive Director, Jonelle Glosch
President, Kenny Hawsey
The chamber was established in 1996 and currently represents more than 70 members.

American Chamber of Commerce in Georgia
1 Nutsbidze St, Tbilisi 380077 Georgia
Tel: +995 (32) 250-496; Fax: +995 (32) 250-495
Email: amcham_ge@access.sanet.ge
Executive Director, Amy Denman
President, Fady Asly
The chamber was founded in September 1998 and currently has over 70 members.

creased support from the U.S. Government for business activities. The governing body of the alliance is a board of directors comprising three representatives from each amcham and one representative from each U.S. embassy located in the country in which the member amcham operates, who will serve ex-officio. Future discussions will include possibilities for mutually supporting activities between the regional alliance of amchams and the Embassies, and new ways to cooperate to strengthen regional activities.

The signing of a MOU on the establishment of an alliance of amchams in the Caucasus region is the first step in cooperation among the three business groups. It signals the determination of the business communities to move forward where governments have been unable to do so—to create a tripartite group working harmoniously for regional economic cooperation and business and trade development. This new alliance is a path-breaking institution, it marks the beginning of private sector regional cooperation where governmental regional cooperation is impossible.

The third meeting of the Caucasus regional chambers is planned for November 2000 in Yerevan. At the meeting, each committee is scheduled to report its joint progress on goals set down in Tbilisi in April. The American Chamber of Commerce in Turkey is expected to take part in this meeting.

(TRANSPORT, continued from p. 1)

Ports

The two principal Black Sea ports in western Georgia are Batumi and Poti. Poti, with a current capacity of 7 million tons of cargo per year, has the greatest potential. It has both road and rail links, and its 14 berths are specialized for handling liquid oil products, rail cars, containers, bulk grain shipments, perishable products, fertilizers, metals, pipes, passengers, and general cargo. This port is slated to be modernized to accommodate anticipated increases in traffic, but government indecision and competing interests have thus far stalled this effort. Batumi port has a capacity of 5 million tons; its expansion is limited by geographic considerations. Designed for bulk traffic, Batumi primarily handles humanitarian grain imports and oil products. Georgia is developing plans to develop a port at Anaklia, located at the mouth of the Enguri river 30 km north of Poti. The port is intended to service bulk and cargo shipment as part of the East-West transport corridor. Links from Batumi and Poti are being developed to other Black Sea ports, including Ilyichevsk (Ukraine), Constanza (Romania), and Burgas and Varna (Bulgaria).

The key Caspian Sea ports in the eastern Caucasus are Baku and Dyubendi, both in Azerbaijan. Baku handles ferry cargo, dry cargo, and oil. It has a ferry connection to the Caspian port of Turkmenbashi in Turkmenistan, as well as to Iran and Makhachkala, the capital of Russia's Republic of Dagestan. Dyubendi, situated 47 km north of Baku, is a transit point for crude oil shipped from Aktau, Kazakhstan.

Road Transport

The principle East-West road network in the Caucasus links Georgia's Black Sea (Batumi and Poti) with Baku. Georgia's highway network also includes links vital to Armenia's foreign trade, and roads linking the North Caucasus. Road transport has become increasingly important as the demand for transport has required more flexibility. Much East-West road freight is routed through Black Sea ports and by road via Turkey. However, even the main roads vital to the East-West transport corridor area are in a deteriorated state and lack maintenance, despite high volumes of traffic. The region's countries and multilateral development banks are focused on improving the main roads of this network. Feasibility studies have already been completed, and construction and rehabilitation projects are planned.

Rail Transport

A high level of dependence on rail transport existed under the centralized Soviet system. Demand for more flexibility and decreased subsidies have contributed to a decrease in rail freight, leaving railway operations in financial crisis. As Baku-Supsa and other pipelines take on an increasing burden of transporting oil, demand for rail freight will continue to decline. However, the proportion of rail to other modes of freight transport is still high in the Caucasus relative to world norms. The main rail link is between Batumi and Poti, and Baku. Rail traffic also flows between Georgia and Armenia. Planned improvement projects include track maintenance and communication and signaling systems.

Opportunities

Planned infrastructure projects include the construction and rehabilitation of pipelines, railways, highways, ports, and airports. The various projects will require a broad range of suppliers, including food supply, sanitation, transport of workers, mobile housing, and transport of materials. There will also be a need for hotels, food processing and retail facilities. Examples of ancillary projects that provide opportunities for U.S. businesses include water supply, wastewater treatment facilities, power, and telecommunications. Once the infrastructure is built and operational, some structures, such as pipelines, will require such services as maintenance and defense. Other important transport-related opportunities are in the creation of institutions to collect tariffs.

Moreover, the region's economies stand to benefit from the improved transportation infrastructure. Such industries as tourism, important in the Caucasus in Soviet times, have been handicapped by the lack of an efficient transportation infrastructure. Improvements to the transportation infrastructure will enable such sectors to thrive, opening new trade and investment possibilities for U.S. businesses. Improved infrastructure should increase demand for transport of agricultural products, particularly cotton, soy, and wheat.

Financing

Multilateral development banks, governments, and private consortiums are important sources of financing for infrastructure projects. Private consortiums are particularly important in the energy field. Three U.S. Government agencies—the U.S. Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency—are active in the region, having combined efforts by opening the Caspian Finance Center in Ankara.

The European Union (EU) sponsors development of the transport sector through its TRACECA (Transport Corridor Europe Caucasus Asia) initiative, which includes the five Central Asian and three Caucasus republics. EU goals are to link the East-West transport corridor to the Trans-European Corridor. TRACECA projects award contracts to EU countries, limiting opportunities for U.S. firms to subcontracting.

The European Bank for Reconstruction and Development (EBRD) invests in capital projects in ports, railways, and roads, including within the context of TRACECA. EBRD projects include rail in Azerbaijan and Georgia, including a rail link between Georgia and Armenia, and Poti port (and Turkmenbashi and Aktau ports). The World Bank currently is engaged in projects in Armenia and Georgia's transport sector, mostly roads. Projects extend to creating institutions necessary to adapt to a market economy and maintaining the transport infrastructure. The Asian Development Bank (ADB) will begin a lending program to Azerbaijan in 2001.

Andrew Reed runs a business in Georgia and is an occasional contributor to the BISNIS Bulletin.

U.S.-CAUCASUS BILATERAL TIES EXPANDING

by Ellen House, BISNIS Washington, DC

The United States Government has greatly increased its efforts to expand and strengthen bilateral ties with the three Caucasus countries—Armenia, Azerbaijan, and Georgia—over the last year. Improving and intensifying contacts between the governments of the United States and the Caucasus countries is aimed at increasing the effectiveness of U.S. assistance to the region, further assisting the transition to market economies, strengthening cooperation, and dealing with other vital issues. In Armenia and Azerbaijan bilateral “task forces” have been established and have begun meeting biannually, while in Georgia working groups of cooperation with the Georgian government have been set up. These bilateral efforts, although in the early stages, are already helping develop closer, more effective relationships between the United States and the three Caucasus nations.

U.S.-Armenia Task Force

The U.S.-Armenia Task Force on economic cooperation emerged from talks between U.S. Vice-President Al Gore and the late Armenian Prime Minister Vazgen Sargsian in September 1999. The inaugural meeting of the task force, held in Yerevan on May 9, 2000, was led by Ambassador William Taylor, Coordinator of U.S. Assistance to the NIS, for the American side, and Minister of Finance and Economy Levon Barkhudarian for the Armenian side. The U.S. delegation also included U.S. Ambassador to Armenia Michael Lemmon and representatives of the Trade and Development Agency (TDA), U.S. Agency for International Development (USAID), National Security Council (NSC), Department of Commerce, National Institute of Standards and Technology (NIST), and Justice and State Departments. Discussions focused on improving private sector development, combating corruption, and meeting Armenia’s energy needs.

At a press conference following the meeting, Taylor described the event as “very successful,” noting that a few main topics of discussion were assistance to private sector development, U.S. assistance on the 2000 census in Armenia, and some initiatives in the legislative field. Also discussed at the meeting was how to promote the development of private small businesses, Armenia’s membership in the WTO, harmonization of standards with neighboring countries, intellectual property rights, and expanding the environment for trade and investment, as well as energy security, communications, energy prospects in the region, improving civil service, and combating corruption.

On June 26, 2000, Vice President Gore and Armenian President Robert Kocharian met in Washington to review the progress of the task force. The next meeting of the task force will take place September 12 in Washington, DC.

U.S.-Azerbaijan Task Force

The U.S.-Azerbaijan Task Force on economic cooperation held its inaugural meeting on May 11 in Baku with discussions that focused on practical reform measures, areas for cooperation, and the development of the nonoil economy. The Azerbaijani side was led by Finance Minister Avez Alekberov and included the minister of trade, chairman of the anti-monopoly committee, and deputy customs director. The U.S. side was led by Ambassador Taylor, and included representatives of USAID, TDA, State and Commerce Departments, NIST, and the U.S. Export-Import Bank. The two sides discussed such issues as reform measures that are needed to reduce barriers facing foreign investors, how to promote development of small and medium-sized business and improve the investment climate, the next phase of the privatization program, and how Azerbaijan can promote non-oil sector growth.

Prior to the meeting, the U.S. delegation met with Azerbaijan’s President Heidar Aliyev to discuss the goals of the task force and to witness the signing of two bilateral agreements. One document was a U.S. TDA grant agreement to support a feasibility study for a proposed environmental and monitoring project in Azerbaijan and the other was a bilateral assistance agreement, protecting NGOs carrying out U.S. Government assistance from taxation.

The next meeting of the U.S.-Azerbaijan Task Force is scheduled for September 13, following the annual meeting of the U.S.-Azerbaijan Chamber of Commerce in Washington.

U.S.-Georgia Four Point Program

In spring 1999, the Georgian and U.S. Governments worked out a five-point reform program to focus bilateral cooperation. Bilateral working groups were set up to address the following reforms: anti-corruption, revenue enhancement, land titling, privatization, and small- and medium-sized enterprise development. Several months later, in light of progress in some areas and new needs in others, the program was revised. It now consists of four areas of cooperation: anti-corruption, revenue enhancement, civil service reform, and budgetary processes and expenditure control.

The program is led by U.S. Ambassador Keith Yalowitz and Georgian State Minister Gia Arshenishvili. The working groups have one Georgian co-chair, most at the ministerial level, and one American co-chair. They also include representatives of international organizations involved in these same areas of reform. American co-chairs and participants include representatives of all the U.S. Government agencies providing assistance in Georgia. The program has been endorsed by the new Cabinet, appointed after the April 2000 presidential elections, and continues to serve as a tool to target U.S. assistance where it is most needed to help in Georgia’s transition to democracy and a market economy.

THIRSTY? CONSIDER THE CAUCASUS

by Joan Morgan, BISNIS Washington, DC

Agriculture holds a prominent place in the economies of Armenia, Azerbaijan, and Georgia. Whether starting to attract foreign investment, as in Armenia, looked to as the “second” industry after energy, as in Azerbaijan, or already the country’s largest industrial sector, as in Georgia, agriculture deserves closer inspection by U.S. companies seeking opportunities in the Caucasus.

The beverages sector—particularly wine, mineral water, and fruit juice—is a particularly promising sector in most of these countries. However, challenges exist. The countries lack foreign investment, and have poor management and outdated equipment. However, as the beverage industries in these countries grow, opportunities for U.S. companies to export modern processing and packaging equipment and technology, or to invest in local facilities, improve.

Armenia

Armenia produces a variety of beverages, including tropical fruit juices, wine, brandy, and mineral water. The majority of food-processing enterprises in Armenia are privately owned. An increase in production necessitates replacing outdated equipment. For example, the Sardarapat Factory produces 4,500 liter packs of juice per hour. The factory launched a production line, with parts supplied by Pure Pack (Michigan). The equipment was purchased with World Bank credits and a U.S. Department of Agriculture loan. Sardarapat juices are sold domestically, and to Georgia and Russia.

The well-established brandy and wine-making industry in Armenia has drawn the interest of Western companies. Pernod Ricard (France) purchased the Yerevan Brandy Factory in 1998 for \$30 million. The company plans to export the regionally famous Armenian brandy to Western Europe and the United States.

Armenia’s wine production facilities include 35 wineries, three brandy distilleries, and a sparkling wine plant. The future of the Armenian grape growing industry is strong. The government of Armenia is working with the World Bank to use a \$2.8 million loan to support grape procurement. In 1999, Armenia harvested 115,000 tons of grapes, of which 52,500 tons were purchased by wineries. The harvest for 2000 is forecast at 150,000 tons.

With more than 1,000 natural springs, Armenia produces a large volume of high quality mineral water. Plants in Vayots Dzor and other provinces, some equipped with modern bottling equipment, successfully export their products in Armenia, Russia, and Western countries.

Azerbaijan

In Azerbaijan, agriculture is the second largest sector after oil and gas, contributing about 20 percent of GDP. The

World Bank has a 10-year, \$100 million agricultural development program in the country to establish rural advisory centers, develop a contract agricultural extension initiative, and fund training programs. Although Azerbaijan has Coca-Cola and Pepsi plants, a dozen bottling companies, and juice factories, the most promise is in the wine sector.

While Azerbaijan has a long history of wine-making, it is not now a major producer. The vineyards were well developed in the 1980s and production was high. During the 1990s, annual grape production declined from nearly 2 million tons in 1990 to only 112,000 tons in 1999. However, the wine industry still has good growth potential, if government guarantees and foreign investment become available. Currently underway is a government program to privatize agricultural land, and to establish credit unions. Leasing companies for used trucks and agricultural machinery will be formed using the credit unions for financing.

Georgia

In Georgia, agriculture is the largest industrial sector, contributing 28 percent to 1999 GDP and employing 51 percent of the population. However, Georgia faces the challenge of restoring its food production and processing sectors and integrating into international markets.

Most of the food processing plants are old, built to Soviet scale, and have been stripped of their assets and abandoned. With only 5-10 percent of the food industry currently operating, there are obvious needs for capital injections and foreign investment. Thus far, foreign investment in this sector has been mainly in wine, tea, and water products, although Georgia also produces a wide variety of fruit juices.

The Georgians have a long history of producing mineral water, with more than 2,000 mineral springs. The estimated total yield of water per day is 120 million liters. All mineral water bottling companies purchase their water from the privately owned Kurortinvest company.

Georgia also has a strong tradition of producing wine. Georgians manufacture white and red table wines, sparkling wine, dessert wines, and brandy. White wines account for about 95 percent of total production. Compared to Western wine making techniques, the Georgian wine sector has a number of shortcomings. The current methods of production and equipment are acceptable for export to the former Soviet markets. If Georgian wine producers invest in modern wine processing and packaging equipment, they could export to Eastern Europe, and potentially Western markets.

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Email:	expo@asdc.kz	
Website:	www.asdc.kz/~expo	
BOS 2000/Information Safety Exhibition	Sept. 28–Oct. 1, 2000	St. Petersburg
Organized by:	ITE Exhibitions/Restec	
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Facsimile:	+44 (20) 7596-5111	
Website:	www.ite-exhibitions.com	
Sectors:	Banking equipment, office technology, protection, security and fire safety	
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Organized by:	Intersib	
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Facsimile:	+7 (3812) 232-330	
Email:	fair@intsib.omsk.ru	
Website:	www.intersib.omsk.ru	
Tashkent Int'l Tourism Fair	Oct. 12–14, 2000	Tashkent
Organized by:	Uzbektourism	
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