



AMERICAN CHAMBER OF COMMERCE IN GEORGIA

Ambassador Katherine Tai
US Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC 20508

15th December 2021

Dear Ambassador Tai

I am writing to you now, as the President of the American Chamber of Commerce in Georgia. We were recently made aware of a letter that was sent from eight Congressmen to your office, supporting efforts to enhance US-Georgia trade and investment relations. AmCham Georgia would like to support this letter and express our hopes that this may precipitate the beginning of negotiations on a U.S.-Georgia Free Trade Agreement.

Opening negotiations on an FTA would be a powerful signal of continued support for Georgia at a time when Russia continues to pressure Western governments to abandon their friends. It could also support Georgia's reform agenda and provide an ideal commercial partner for US companies while helping to combat Russian, Chinese and Iranian influence in an important region.

This FTA could enhance US trade. US exports to Georgia, at \$540 million in 2020, are largely concentrated in cars and machinery. However, in recent years we have seen significant increase in US-hotel franchises, as Georgia's tourism sector has grown dramatically, as well as fast food chains like Wendy's, Dunkin Donuts, Domino's Pizza, Burger King, Taco Bell, KFC and Subway. Clothing retail is also rapidly expanding with U.S. brands such as GAP, Banana Republic and Tommy Hilfiger opening storefronts in Georgia.

Large infrastructure projects and government procurements also offer sizeable opportunities for U.S. firms. International Financial Institutions have supported billions of dollars of infrastructure improvements in recent years and while U.S. investors have been involved in some, Asian and European firms have won the majority of contracts, mostly as a result of low awareness on the part of US firms.

Opening negotiations on a US-Georgia Free Trade would make it easier to expand existing exports and would raise awareness of opportunities that exist in other areas. This would be an economic and security win for all concerned.

A US-Georgia FTA would also create opportunities beyond Georgia's borders. Georgia is a gateway for the wider Eurasia region, offering a business environment with low corruption, a simplified tax system, bilateral trade ties with its neighbors and a business-friendly legislative environment. It is, therefore, an ideal location for US-companies that want to trade regionally.

It has also demonstrated itself as a transit corridor. Georgia's economic and strategic importance as a transit route for oil and gas supplies has never been so important. The country offers the only route for natural gas from the Caspian Sea to Europe that does not go through Russia. A BP-led consortium recently finished a gas pipeline upgrade that represented a \$2 billion investment in Georgia alone.

Georgia's transit and production potential goes beyond energy. The country is part of a 'New Silk Road' transit route that offers the only land-based transit corridor between Europe and China that is not dependent on either Russia or Iran. This route is further enhanced by Georgia's free trade access with the EU and visa-free travel regime with the block. Georgia is supporting the development of this route through heavy investment in port, road and rail infrastructure.

An FTA with Georgia is also unlikely to create any significant new competition for U.S. companies. Manganese makes up more than 80 percent of the \$78m goods that the U.S. imported from Georgia in 2020. This is mined and processed in Georgia by a U.S. company and does not compete with U.S. producers.

Politically, opening negotiations on a FTA would offer a strong signal of support at a time when Georgia is feeling increasing pressure from an assertive Russia and China. Economically, it would provide a framework for wider US commercial engagement in the region. It would open up opportunities for US companies and boost the argument for Westernization, just when Georgia needs it the most.

We appreciate your consideration and stand ready to support this vital effort in any way we can.

Yours sincerely,

A handwritten signature in blue ink that reads "Sarah Williamson". The signature is written in a cursive, flowing style.

Sarah Williamson
President
American Chamber of Commerce in Georgia

Cc:

President of the United States, Joe Biden
US Secretary of State, Antony Blinken
US Assistant Secretary, Victoria Nuland
US Deputy Assistant Secretary, Erica Olsen
US Ambassador to Georgia, Kelly Degnan
US National Security Council, Christopher Smith
US Department of Commerce
Members of the US House of Representatives, Georgia Caucus