

National customs legislation adaptation to EU requirements in the context of eastern partnership policy development

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Abstract. The research relevance is determined by the need to assess Georgia's trade relations and customs activities in terms of their compliance with European requirements. The study aims to identify areas in the field of customs control that require further legislative regulation and harmonisation with EU legislation. The study employed the following research methods: analysis of statistical data on trade activity; comparison – to compare indicators of unrealised export potential between countries; graphical – to display the results; and generalisation – to summarise the information in line with EU requirements. The study determined the dynamics of Georgia's trade and economic activities with the EU; assessed the use of export potential with different EU countries; and substantiated the effectiveness and efficiency of Georgia's customs control reforms. The need to adapt the customs legislation to the common EU requirements is proved and the directions of specific measures for further improvement of customs activities are identified: application of transit (improvements to the guarantee management system are needed); control of sanctioned goods at the border (to speed up the EU's response to specific requests); risk management system (to establish systematic internal and interagency information exchange); tax authorities (reorganisation and increase of profitability); customs protection of intellectual property rights. This will help bring Georgia's economy closer to the EU economic area. The expediency of improving the quality of education and increasing public spending in this area has been substantiated, which will contribute to the professionalism of economic reforms. The results and conclusions are of practical importance for the Government in the development of customs policy and customs authorities in the implementation of customs procedures

Keywords: trade and economic relations; harmonisation; taxes; transit; trade; quality of education

Introduction

The choice of the European course of economic development by Georgia after gaining independence necessitated the expansion of the country's trade with the EU. The key role in the success of trade and economic relations is the efficient functioning and control of the country's export and import activities, which are implemented through the customs system. The main vectors for the customs policy and legislation in this area should be implemented in line with the EU experience and requirements. In this regard, there is an increasing need to reform the customs system and adapt customs legislation to EU standards, which can identify shortcomings in legal regulation. Due to the inconsistency of legal regulation mechanisms with the European standards applied in the country, difficulties arise in the implementation of customs procedures. These factors impede the harmonisation of customs procedures with the EU and Georgia's accession to the EU's single customs area. Implementation of Georgia's customs policy in line with the EU will help address the current challenges of the global economy, protect the domestic market from competition and stimulate the country's exports.

In the context of modern globalisation, various EU initiatives are relevant, one of which is the Eastern Partnership (EaP), whose policy aims to deepen and strengthen relations between the EU and its eastern neighbourhood (Ivanov *et al.*, 2023). If the EaP countries carry out significant reforms, their integration with the EU will deepen significantly. The peculiarities of the socio-economic development of the EaP countries are revealed by R. Putkaradze's (2021) work, emphasising that further reforms will allow Georgia to accelerate the process of trade and economic integration with the EU through cooperation.

The EU's approaches to forming economic relations with other countries, in particular in the EaP region, were studied by M. Rakhimova *et al.* (2023), who analysed the effectiveness of EU initiatives in various sectors of the economy, explored the possibility of their implementation and potential risks that may arise. The impact of the Deep and Comprehensive Free Trade Area (DCFTA) on the European integration of Georgia, Moldova and Ukraine was studied by E. Tskhomelidze (2022), who assessed the impact of trade

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on the welfare of the population by comparing the results of individual countries. The overall effectiveness of the DCFTA as an instrument of trade integration was also assessed, proving that trade between the EU and Georgia increased by about 18%, which indicates a positive impact of the DCFTA on trade with the EU.

The development of trade relations is analysed in more detail by Z. Gudushauri and N. Geliashvili (2023), who estimated the share of exports to the EU in Georgia's total exports and noted that the intensity of Georgia's exports from the EU is twice as high as the world average. Similarly to the previous point of view, D. Bidzinashvili (2023) emphasises the growth of Georgia's exports and notes that there is no alternative to European orientation for the country, but this path should be taken as cost-effectively and efficiently as possible. The author notes that despite the difficult political and economic situation in the world and increased risks, Georgia's stable economic growth is noticeable. At the same time, scientists also highlight the need to improve the quality of higher education in the country as a factor of economic development. For instance, D. Narmania *et al.* (2022) emphasise that the key to success in the modern global economic system is to focus on improving students' communication skills, and critical and analytical thinking. Analysing the dynamics and prospects of trade flows between the EU and the EaP countries, T. Grodzicki (2022) argues that the future characteristics and dynamics of trade between the EU and the EaP remain unknown due to the Russian invasion of Ukraine, which caused obstacles to trade flows from Ukraine and economic sanctions against the aggressor.

As such, scientists contributed significantly to the study of this issue, although the reform of the EU customs system and Georgia's approximation to European development necessitate further investigation of related issues. The study aims to examine Georgia's trade and economic relations with the EU and the prospects for adapting the country's customs legislation to common European requirements. The main study objectives are to analyse the dynamics of trade and economic relations and assess the compliance of Georgia's customs legislation with EU requirements.

Materials and methods

The research was conducted using the following methods: analysis of statistical data on trade activity; comparison of unrealised export potential values between countries; graphical – to display the results; generalisation – to bring the information in line with EU requirements. The theoretical basis of the study is based on the scientific works of Georgian, Polish, Ukrainian, Latvian, Estonian, English, French and other scholars who have considered the peculiarities of trade and economic relations between European countries, including Georgia and the EU, and the issues of adaptation of customs legislation to the requirements of the Customs Union.

The statistical data on the dynamics of indicators of trade and economic relations between the EaP countries in 2017-2022 and the volumes of exports, imports, and trade balance of Georgia with the EU in 2020-2021 were analysed based on the European Commission's reports (European Union, Trade..., 2023; EU trade relationships..., 2023). The comparison method was used to compare the indicators of Georgia's realised and unrealised export potential to the EU countries (in particular, Germany, France, Italy Poland, the Netherlands, and the Czech Republic). The level of

realisation of the intra-regional trade potential of the EaP region and, in particular, of Georgia, was studied using the information from the EaP Export Helpdesk Internet portal for 2022 (Eastern Partnership: Trade..., 2023). The comparison method was also used to compare the provisions of the Customs Code of Georgia (2019) on customs procedures, transit, automation of the risk management system, control of sanctioned goods at the border, customs protection of intellectual property rights, etc. with the requirements specified in the The Union Customs Code (2016). The assessment of certain changes in the field of customs control made in the course of reforming the customs legislation in Georgia, as well as the completeness of their implementation, was conducted based on the data of the Joint Report of the EU-Georgia Association Agreement 9th Meeting of the Customs Sub-Committee (2023) and the Commission staff working document: Georgia 2023 report (2023). The analysis of the level of public investment in education in Georgia was conducted based on the data from the Report of the Georgian Foundation for Strategic and International Studies on the implementation of educational reforms in Georgia in 2022 (Mitaishvili-Rayyis, 2023). The graphical method was used to study the statistical data on trade in goods between the EU and Georgia in 2020-2022 and Georgia's export potential to the EU in 2022 in terms of dynamics indicators.

The generalisation method was used to summarise the results obtained in the study on the development and scope of trade and economic relations between Georgia and the EU countries; the full use of Georgia's export potential and the introduction of changes in the customs area during the implementation of reforms to meet EU requirements; the development of higher education in Georgia and its impact on the country's economic development; and on the formulation of results on the adaptation of Georgia's customs legislation to EU requirements, which are the final reflection of these results, namely substantiation of the areas of adaptation of the customs legislation of Georgia to the EU requirements, in which further refinement is necessary to achieve greater effectiveness of the customs legislation reforms.

Results

To deepen the EU's political and economic integration with the countries of Eastern Europe and the South Caucasus, as well as to implement the European Neighbourhood Policy, the EaP was launched at the Prague Summit in 2009, which included all EU countries and six other countries – Georgia, Armenia, Belarus, Azerbaijan, Ukraine and Moldova. However, in 2021, Belarus' participation was terminated on the initiative of the country's leadership (Eastern Partnership: Trade..., 2023). The EaP member states are expected to update their contractual relations with the EU by moving from cooperation under partnership and cooperation agreements to association agreements with the EU, as well as expanding free trade areas, simplifying visa regulations, etc.

International trade and economic relations of the EaP countries are strengthening and expanding (European Union, Trade..., 2023). Table 1 shows that over the entire analysed period, imports prevailed over exports, but in almost all years except 2020, there was an increase in both imports and exports compared to the previous year. Among all trading partners for the EaP countries in 2022, the EU countries were the most important, with imports accounting for 31% of the total volume and exports for 49.3%. Russian armed

aggression against Ukraine caused significant changes in trade and economic ties between the EaP countries and the EU, including their strengthening. Comparing the EaP's export flows in 2022 with the previous year, 2021, it should be noted that in 2022, the share of EaP countries' exports to the EU increased by 15 percentage points (p.p.) (from 43%

to 58%), although in monetary terms, the total exports of the EaP remained unchanged in both years – USD 98 billion. The main factors that contributed to the reorientation of exports to the EU were mainly the blockade of Ukrainian seaports by Russia and the creation of new logistics routes, as well as the EU's active support for exports (Dziubynskyi *et al.*, 2023).

Table 1. Trade flows of the EaP countries with other countries of the world in 2017-2022

Period, year	Import		Export		Trade balance, EUR million	Total trade volume, EUR million
	Volume, EUR million	Relative change, %.	Volume, EUR million	Relative change, %.		
2018	99.745	11.9	83.877	10.3	-15.869	183.622
2019	112.008	12.3	90.471	7.9	-21.538	202.479
2020	93.956	-16.1	80.477	-11.1	-13.479	174.432
2021	114.117	21.5	106.592	32.5	-7.526	220.709
2022	133.285	16.8	118.727	11.4	-14.557	252.012

Source: compiled based on European Union, Trade in goods with EaP (Eastern Partnership) 6 (2023)

The analysis of the export flows of the five EaP countries was conducted to divide them into two groups depending on the orientation of their exports to the EU. The first group includes Azerbaijan, Ukraine, and Moldova, for which exports to the EU were dominant among other countries in 2022. The second group includes Armenia and Georgia, whose exports to the EU accounted for 15% of each country's total, but the relative importance of the EU as a region for exports has declined compared to 2021. At the same time, the dynamics of exports between the EaP countries increased by only 1 pp in 2022 compared to the previous year. The trends in imports were similar, but their growth compared to exports in 2022 was only 3 pp (from 35% to 38%).

Georgia is one of the countries successfully developing economic relations with the EU. The EU-Georgia Association Agreement was signed on 27 June 2014 and entered into force on 1 July 2016, and includes a DCFTA (Three Eastern Partnership..., 2023). The Georgian government is making significant efforts to bring its national legislation in line with EU standard requirements. According to 2021 data, Georgia's main trading partners were the EU countries, which accounted for 20.5% of the country's trade, and Turkey – 14.6% of trade (EU trade relationships..., 2023). To study the dynamics of Georgia's trade with the EU, it is necessary to analyse the change in exports, imports and the trade balance over a certain period (Fig. 1).

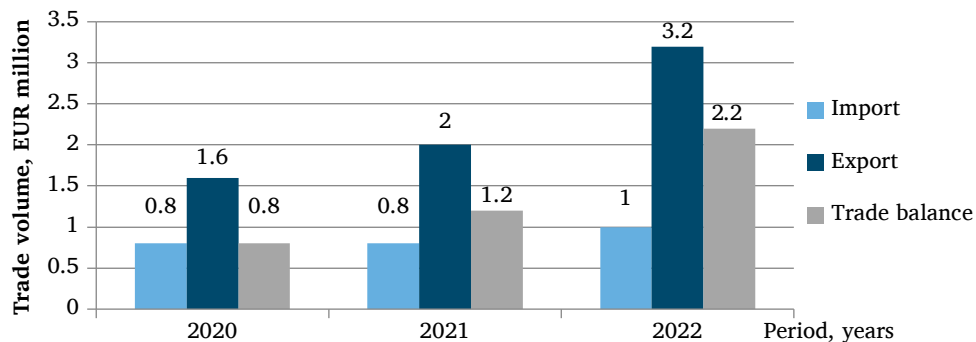


Figure 1. Goods trade between the EU and Georgia in 2020-2022

Source: EU trade relationships by country/region. Georgia (2023)

Figure 1 shows that in 2022, EU exports to Georgia increased by 57.9% and imports by almost 25% compared to 2021. The main export products were machinery and equipment, mineral products, and transport equipment (EU trade relationships..., 2023). However, Georgia's trade opportunities could be broader if the country's full export and import potential is used. According to the EaP Export

Helpdesk website, the unrealised intra-regional trade potential of the EaP region is estimated at USD 809.9 million, i.e. 44% of the total potential, and in particular, the unrealised potential of Georgia is 41% (Eastern Partnership: Trade..., 2023). Companies operating in the EaP countries have unrealised potential to create jobs and accelerate economic growth (Fig. 2).

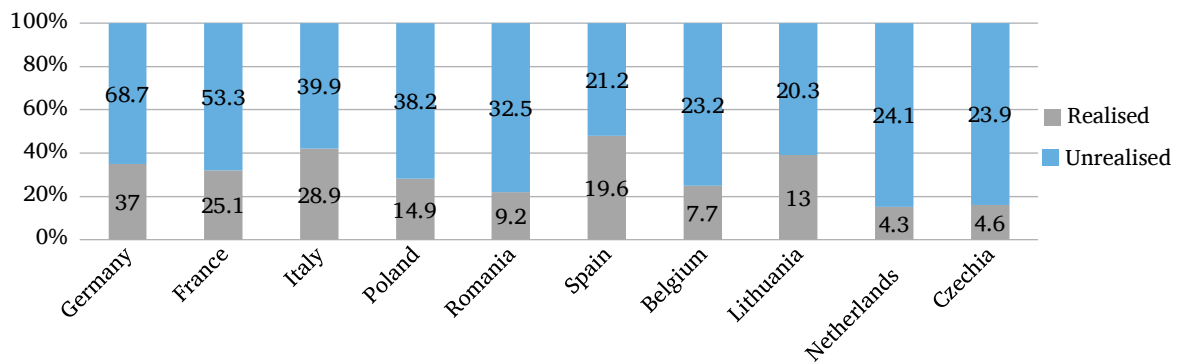


Figure 2. Georgia's export potential to the EU in 2022

Source: Eastern Partnership: Trade Helpdesk. Georgia (2023)

Figure 2 shows that the largest volumes of exports are sent from Georgia to Germany, France, Italy, and Spain, but the export potential with these countries remains less than 50%, and Georgia's least realised potential is with the Netherlands (15%) and the Czech Republic (16%) (Eastern Partnership: Trade..., 2023). Unrealised potential indicates an insufficiently effective economic policy, initiated but not completed or ineffective economic and political reforms in the country, and other reasons. However, an analysis of the implementation of reforms in the EaP countries provides a more detailed understanding of changes in the trade structure in 2022, namely the growing importance of the EU as a trading partner.

In terms of the pace of reforms in the EaP countries, Ukraine ranks first and Georgia second (Movchan, 2023). Georgia's reforms envisage key changes in several areas, including the alignment of the country's technical regulations with EU norms, reflecting the latest changes in the EU acquis. Another important step, which is fully in line with the Joint staff working document "Recovery, resilience and reform: Post 2020 Eastern Partnership priorities" (2021), is that draft laws on amendments to the legislation on joining the euro single payment area have been submitted to the Georgian parliament for approval.

In March 2022, Georgia applied for EU membership and was granted candidate status under an accelerated procedure (Three Eastern Partnership..., 2023). One of the key ways of Georgia's economic development in the European direction and strengthening its position in the international arena, in particular among the EaP countries and the EU, is the adaptation of Georgia's customs legislation to EU standards, which should be understood as the process of convergence and gradual harmonisation of Georgia's customs legislation with the relevant EU legislation to achieve a single customs area. The process usually takes place depending on the country's needs and international commitments.

In general, the adaptation of a country's customs legislation to EU standards is a lengthy process that involves independent stages of legislative improvement, which

together ensure its approximation to EU standards. These stages include:

- ▶ coordination, i.e. the development of organisational and institutional structures and measures that form the adaptation foundation;
- ▶ unification as an independent stage of adaptation, aiming to bring customs legislation in line with common EU standards, mainly by eliminating discrepancies;
- ▶ harmonisation, i.e. the formation of common legal principles that serve as the basis for the adoption of legal standards;
- ▶ implementation – bringing national legislation closer to international law.

The EU legal system is a set of principles, norms and rules acquired by the EU over the years, which must be preserved in the course of EU development. Therefore, if the EU expands, the new member states must adapt their legal systems accordingly. The basis of the customs legislation of Georgia is the Customs Code of Georgia (2019), adopted in 2019, which defines the customs rules and formalities related to the movement of goods into and out of the country. The customs policy of Georgia aims to stimulate the economic development of Georgia and protect the domestic market, as well as other objectives of the country's domestic and foreign policy. The analysis of the provisions of the Customs Code of Georgia and its comparison with the requirements set out in The Union Customs Code (2016) highlighted the main achievements of Georgia in the implementation of export and import reforms, as well as the shortcomings that the Government of Georgia still has to address to improve compliance with EU requirements. One of the key elements of the country's customs control reform was (EU-Georgia Association..., 2023): the development of e-commerce; harmonisation of customs taxation rules and processes related to distance selling; simplification of customs declaration; planning to introduce the Duty Exemption Regulation starting in 2026; and the deployment of electronic freight information under the EU4Digital project. However, some implementations require further improvement and refinement (Table 2).

Table 2. Areas of Georgian customs legislation adaptation to EU requirements

Area	Implementation difficulties or shortcomings	Ways to improve, possible improvement measures
Ukraine is in the process of acceding to the Convention on the Facilitation of Trade in Goods and the Convention on a Common Transit Procedure. In April 2023, the use of transit was launched, and instructions were published on how to use the New Computerised Transit System (NCTS)	The NCTS declaration has to be filled in by economic operators on a website, so the implementation of the system requires the use of web technology. Some countries offer a web portal for carriers registered in the country to fill in the declarations and a website with easy access for unregistered users	For the NCTS to function properly, a safeguards management system is required, and the development of this system is still ongoing
Control of sanctioned goods at the border has been introduced	The customs authority's operations are slowed down when trucks with goods are stopped at the border, with long waits for a response from the EU to requests for clarification of the application of the sanctions sent to the sanction-mailbox	Georgian government asks EU to speed up response to specific requests
The risk management system is implemented in the automated customs data system and databases for passengers, goods and vehicles crossing the customs border, as well as customs clearance processes	Incomplete implementation of information flows and intelligence cycle schemes at all levels of analysis	Systematic internal and interdepartmental information exchange between the agencies and/or departments involved should be established
Administrative and operational capacity	The structure of the tax authorities is not adapted to the EU customs requirements. Poor compatibility of customs information and technology systems with the EU	Reorganisation of the tax authorities, attraction of additional resources, updating of customs information and technology systems
Legislation on customs protection of intellectual property rights generally complies with EU requirements	No specific clarifications in the application of the law	Clarification is needed on whether the legislation on border measures related to intellectual property provides for the destruction of goods shipped in violation of intellectual property rights

Source: compiled based on R. Seturidze (2017), data EU-Georgia Association Agreement 9th Meeting of the Customs Sub-Committee (2023), Commission staff working document: Georgia 2023 report (2023)

As can be seen from Table 2, Georgian customs legislation is partially aligned with The Union Customs Code. Some provisions require further adaptation to EU requirements. Some progress was made in 2022-2023. However, in the future, Georgia should:

- ▶ to adapt the Customs Code of Georgia to The Union Customs Code;
- ▶ improve the administrative capacity of the tax and customs authorities and increase the resources of the customs service;
- ▶ develop the use of information technology in the customs sector.

Moreover, improving the quality of higher education is essential for the country's successful development and effective implementation of reforms. Improving the quality of higher education can increase the professionalism and qualifications of the population, create new jobs, and contribute to the acceleration of Georgia's economic development. However, this requires greater government involvement.

During 2010-2022, public investment in education in Georgia increased, as evidenced by an increase in budget allocations from 2.4% to 3.62% of gross domestic product (GDP), but this figure is lower than the EU level (Mitaishvili-Rayyis, 2023). For instance, Estonia spends 6.6% of its GDP on education, Denmark – 6.4%, and the UK – 5.5%. The largest share of the education budget is allocated to general secondary education, of which 72% in 2022 was spent on teacher salaries, and only 0.3% of GDP was spent on higher education, which is quite low by international standards.

When adapting Georgian legislation to EU requirements, special attention should be paid to the development of higher education and the approximation of educational legislation to European standards. The country needs to introduce innovations in curricula, develop educational infrastructure, provide professional development and support for teachers, increase public funding, and adopt an inclusive approach to education policy (Begzhan *et al.*, 2021). This will provide the basis for a strong educational system, improve the quality of education, and contribute to the effectiveness of economic reforms and sustainable socio-economic development of the country.

Thus, studies of trade and economic relations between the EaP countries and, in particular, Georgia and the EU countries have a steady upward trend and increase in volume. However, an assessment of Georgia's trade potential shows that it is only 59% realised, and the rest is a loss of profit opportunities for the country's economy. Being on its way to joining the EU, Georgia needs to develop economic ties with other countries and strengthen its position as a trading partner in the international market. Therefore, the Government of Georgia is actively working on reforms, in particular in the area of customs control over the movement of goods across borders, adapting its customs legislation to EU requirements. The analysis of the compliance of Georgia's customs legislation with the EU requirements showed that the country has made significant progress in adapting its legislation, but there are still some shortcomings that need to be addressed in the future to eliminate differences in customs procedures and form a common customs policy with the EU.

Discussion

A study of Georgia's trade and economic relations with the EU countries has shown that the development of cooperation between the EaP countries and the EU plays an important role in strengthening the economies of these countries. However, to deepen economic ties between the countries and create a common customs area between Georgia and the EU, it is necessary to adapt Georgia's customs legislation to European requirements.

Studying the development of the EaP initiative and the impact on its functioning of foreign policy negative factors, in particular, the aggressive position of the Russian side on the European course of development of the EU's neighbouring countries, scholars emphasise the need to change the EU's policy towards the EaP. As such, O. Kozachuk and G. Vasilescu (2021) note that given Russia's aggressive attitude to Georgia, Ukraine, and the Republic of Moldova's attempts to become EU members, the potential for their membership should be properly explained by the European Commission. However, scholars in their studies demonstrate concerns about the future of the EaP initiative and European security. In particular, J.F. Crombois (2023) notes that the Russian war against Ukraine threatens the geopolitical precondition underlying the idea of the EaP and that the granting of candidate status to Ukraine, Moldova, and Georgia remains unjustified against the background of the continued closed policy for new membership. Supporting a similar view, J.F. Drevet (2023) also emphasises that the Russian invasion of Ukraine has led to an accelerated schedule for consideration of the EaP countries' candidacy for EU membership, even though the criteria for membership are far from being met. The scientist outlines scenarios for the development of countries outside the European Neighbourhood Policy, as well as details the situation of each of them and assesses the compatibility of this situation with EU accession. In turn, C. Kaunert *et al.* (2023) discussed the economic security of the EU and its neighbouring countries in the face of fundamental challenges in the world: migration, war, disaster, etc. Such events are seen as a test of resilience not only for the countries affected by them but also for the EU in particular. The authors emphasise that the EU must find ways to ensure its resilience and that of its Eastern partners.

L. Delcour and K. Hoffmann (2018) analyse the EU's policy towards Armenia, Azerbaijan, and Georgia, highlighting three shortcomings of this policy. The article highlights three shortcomings of the EU policy: insufficient EU involvement in the conflict resolution in the South Caucasus; refraining from using political conditionality; and focusing on the large-scale implementation of EU standards. The development of the connection between the EaP countries and the EU was analysed by K. Raik (2022), who emphasised the growing divergence between liberal and illiberal approaches to this connection and argued that to increase the resilience of the EaP countries, it is important to connect them to European infrastructure: roads, energy, and trade flows. Fully supporting the author's opinion, it is worth noting that the creation of common requirements with the EU for exports and imports of goods will strengthen the economy in the EaP countries. Separately discussing the key challenges and threats for the EaP countries on their way to the digital market, O. Tsebenko *et al.* (2022) highlighted the main tools and proposed the author's typology based on the level of digitalisation, the application of which in the EaP countries can

bring them closer to EU standards. Supporting the view that digitalisation is necessary, it is worth emphasising that professionalism and technological development of the country, which can be ensured by highly educated specialists, play an important role in this process (Peterson *et al.*, 2016). Therefore, scholars considerably focus on the state of development of higher education in Georgia. Thus, D. Narmania *et al.* (2022) note that education is a fundamentally important issue for the prosperity and sustainable economic development of the country. International experience shows that countries that pay more attention to improving the level of education develop faster.

D. Baltag and I. Romanyshyn (2023) assessed the EU's activities as a foreign policy actor concerning the EaP countries and proved its effectiveness. Considering Georgia's trade practice with the World Trade Organisation (WTO), G. Abuseridze *et al.* (2022) focused on Georgia's economic performance, including the Association Agreement with the EU, which has made a significant contribution to the adaptation of Georgia's trade legislation and acceleration of economic reforms. The authors emphasise that trade stabilisation can be achieved through the implementation of certain WTO regulations in the trade, economic and legal spheres, and despite the complexity of the WTO accession process, it can stimulate growth and economic benefits for Georgia. Furthermore, scholars devote considerable attention to conceptual approaches to the essence of the customs union. For instance, M. Ovádek and I. Willemins (2019) argued that this concept has long remained insufficiently studied in international law and caused tension between the adoption of common rules and state sovereignty.

R. Seturidze (2017) studied the organisation of the transit system in Georgia and the risk system posed to it, presenting a risk management model in which an important role is played by the implementation and effective functioning of the information system. M. Erkoreka and A. Blas (2023) analysed the EU customs policy, in particular, the dynamics of the implementation of differentiated policies in the EU, focusing on negative cases, including customs fraud, to develop a quantitative and qualitative approach to the impact of the customs service on the effectiveness of customs control. One of these cases is related to unfair competition, and the other is a "misinterpretation" of general standards in the customs area related to the dependence of routes (Ketners & Peterson, 2021). The authors rightly emphasised that the implementation of differentiated policies proved to be ineffective in ensuring a level playing field in customs control in the EU, which led to serious negative consequences: economic and budgetary violations; inability to solve problems; illegitimacy of exit, which can lead to a country's disadvantageous competitive position. The reform of the EU Customs Union, launched in May 2023, is the most ambitious and comprehensive reform since 1968 and has several objectives, the main ones being (Chen, 2023; Kovaliova & Svitlychnyi, 2023): to provide traders with centralised electronic interfaces, i.e. the EU Customs Data Space, through which traders can download information and view the entire supply chain and reduce the cost of verifying the compliance of goods; to create a new EU customs authority tasked with coordinated customs control and risk management; to develop e-commerce imports, especially transactions through online platforms.

The study of the customs reform in Georgia confirms that the country is successfully implementing changes and

implementations in all the above areas, which leads to the conclusion that the vast majority of points in terms of adapting customs legislation to EU requirements can be fulfilled. Addressing the issues of legal customs regulation in international trade, B. Landowski *et al.* (2023) considered the issues of customs procedures applied when importing goods into the EU customs territory and provided a classification and description of such procedures. At the same time, the authors rightly emphasise the factors that can cause disruptions in transport processes, which lead not only to transport and trade costs but also to potential supply chain disruptions. These factors should be considered by Georgia when adapting its customs legislation to EU requirements.

Thus, the analysed studies of other scholars on Georgia's trade and economic relations with the EU countries and the adaptation of the country's customs legislation to the EU requirements show that, in general, scholars consider this issue comprehensively and extensively. The main conclusions drawn in this study regarding EU policy, the development of its export-import relations with the EaP member states, as well as the need to develop electronic technologies in the customs sphere and introduce a common transit of Georgia with the EU countries, are in line with those formulated by other scholars and may also help accelerate economic reforms in the country on its way to a European future.

Conclusions

The study shows that the development of trade and economic relations between Georgia, as one of the EaP countries, has a growing trend, which strengthens the country's position in the global market. However, one of the most important tasks for Georgia remains the adaptation of its customs legislation to EU requirements.

The objective set in this study and the analysis of Georgia's trade and economic activities and its customs legislation led to the following conclusions. The analysis of Georgia's trade and economic activity showed that its main trading

partners in 2021 were the EU countries, which accounted for about 20.5%. In 2022, there was a significant increase in EU exports to Georgia (by 57.9%) and imports (by 25%), but an assessment of Georgia's export potential shows that it is underutilised (only 41% of the possible). The author substantiates the expediency of increasing the efficiency and effectiveness of the reforms taking place in the country, in particular in the field of customs control of goods crossing the customs border of Georgia. Given the European course of development, the customs legislation of Georgia should be brought in line with the uniform requirements of the EU. The assessment of the achieved results of the reforms in the customs sector and the compliance of customs legislation with EU requirements has identified areas that require further improvement: the use of transit (the guarantee management system needs to be improved); control of sanctioned goods at the border (to speed up the EU's response to specific requests); risk management system (establish systematic internal and interagency information exchange); tax authorities (reorganisation and increase of profitability); customs protection of intellectual property rights (clarification or legislation on border measures). The study shows that improving the quality and investment in education will increase the number of economic professionals. The proposed measures will contribute to deepening Georgia's trade relations with the EU, strengthening their economic ties, and increasing the country's competitiveness in the international arena.

The main areas of further research will be the study of the possibilities of practical implementation of customs reforms in the Georgian economy, considering the country's specifics.

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Conflict of interest

None.

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Адаптація національного митного законодавства до вимог ЄС в контексті розвитку політики східного партнерства

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Анотація. Актуальність дослідження визначається необхідністю оцінки торговельних відносин та митної діяльності Грузії з точки зору їх відповідності європейським вимогам. Метою дослідження є виявлення позицій у сфері митного контролю, які потребують подальшого законодавчого врегулювання та гармонізації із законодавством ЄС. У дослідженні використано такі методи дослідження: аналіз статистичних даних щодо торговельної діяльності; порівняння – для порівняння показників нереалізованого експортного потенціалу між країнами; графічний – для відображення результатів; узагальнення – для узагальнення інформації відповідно до вимог ЄС. У результаті дослідження визначено динаміку торговельно-економічної діяльності Грузії з ЄС; оцінено використання експортного потенціалу з різними країнами ЄС; обґрунтовано ефективність та результативність реформ митного контролю Грузії. Доведено необхідність адаптації митного законодавства до загальних вимог ЄС та визначено напрями конкретних заходів для подальшого вдосконалення митної діяльності: застосування транзиту (необхідне вдосконалення системи управління гарантіями); контроль санкційних товарів на кордоні (для прискорення реагування ЄС на конкретні запити); система управління ризиками (налагодження систематичного внутрішнього та міжвідомчого обміну інформацією); податкові органи (реорганізація та підвищення рентабельності); митний захист прав інтелектуальної власності. Це допоможе наблизити економіку Грузії до економічного простору ЄС. Обґрунтовано доцільність підвищення якості освіти та збільшення державних витрат у цій сфері, що сприятиме підвищенню професіоналізму економічних реформ. Результати та висновки мають практичне значення для виконавчої влади при розробці та реалізації митної політики та митних органів при здійсненні митних процедур

Ключові слова: торговельно-економічні відносини; гармонізація; податки; транзит; торгівля; якість освіти