



Empirical Analysis of Modern Trends in Trade between Georgia and India

Prof. Dr. Simon Gelashvili

Ivane Javakhishvili Tbilisi State University, Georgia

Abstract: The article reviews the empirical statistical aspects of trade relations between Georgia and India during 1995-2016, for which the relevant time periods are used. Ranking of Georgian trade partner countries was carried out according to whole trade turnover, as well as export volume and import volume of goods and established India's ordinary position. The nature and direction of the overall trading turnover as well as the trends of export and import tendencies have been identified. In the process of the analysis, both absolute and relative indicators were calculated. The export and import volumes in 1995-2016 are also considered according to commodity groups and the first five of the largest commodity groups are drawn in both directions. Finally, the increase of India's role as an important trading partner for Georgia is shown.

Keywords: trade turnover, export, import, relative indicators, growth rate

Introduction

In 1921-1991 Georgia was a member country of the Soviet Union and had no direct trade relations with other countries, including India. Since 1992, Georgia has already started to establish bilateral trade relations with different countries around the world, but until 1995 the official statistics on foreign trade are incomplete, which is why it is not advisable to use scientific analysis and objective quantitative evaluations.¹ Therefore, we have taken a period from 1995-2016 and used official statistical data of this period.

In 1995, Georgia had trade relations with 67 countries; in 2000 this number was 102 and in 2016 - 135. Thus, the geography of foreign trade

significantly expanded, which has played a major role in Georgia becoming one of the most liberal and competitive trade regimes in the world.² The volume of trade turnover, calculated for a country is an interesting indicator too. The years 1995-2016 this figure has increased by 7,3 times (in 1995 was 9,612 thousand and in 2016 - 69,682 thousand US dollars).³

¹ Gelashvili, S. (2016). Georgia-EU Trade Relations at the End 20th Century and at the beginning of the 21th Century: Empirical Statistical Analysis. In: INNOVATIVE ECONOMY AND PROBLEMS OF ITS FORMATION IN POST-COMMUNIST COUNTRIES. Collected articles of Paata Gugushvili Institute of Economics, Tbilisi, p. 53.

² Gelashvili, N. (2016). Geographical Distribution of foreign Trade of Georgia. In: INNOVATIVE ECONOMY AND PROBLEMS OF ITS FORMATION IN POST-COMMUNIST COUNTRIES. Collected articles of Paata Gugushvili Institute of Economics, Tbilisi, p. 505. Medzmariashvili, T. (2014). Foreign Trade of Georgia during Years of Independence: Statistical Analysis. Proceedings of International Scientific Conference „Globalization and Statistics”.

Published by „Universali”, Tbilisi, pp. 315.

³ Gelashvili, S. (2016), p. 56.



Table 1. General indicators of foreign trade of Georgia^{a)}

| Years | Georgia's trade partner countries | The total trade turnover of Georgia, million \$ | Trade turnover on average 1 country, thousand \$) |
|-------|-----------------------------------|---|---|
| 1 | 2 | 3 | 4 |
| 1995 | 67 | 0,644 | 9, 612 |
| 1996 | 84 | 0,954 | 11, 357 |
| 1997 | 95 | 1,240 | 13,053 |
| 1998 | 101 | 1,074 | 10,634 |
| 1999 | 105 | 0,928 | 8,838 |
| 2000 | 102 | 1,034 | 10,137 |
| 2001 | 110 | 1,069 | 9,718 |
| 2002 | 113 | 1,142 | 10,106 |
| 2003 | 115 | 1,603 | 13,939 |
| 2004 | 123 | 2,493 | 20,268 |
| 2005 | 126 | 3,355 | 26,627 |
| 2006 | 129 | 4,613 | 35,760 |
| 2007 | 127 | 6,444 | 50,740 |
| 2008 | 129 | 7,797 | 60,442 |
| 2009 | 128 | 5,609 | 43,820 |
| 2010 | 133 | 6,913 | 51,977 |
| 2011 | 140 | 9,259 | 66,136 |
| 2012 | 137 | 10,433 | 76,153 |
| 2013 | 136 | 10,933 | 80,390 |
| 2014 | 141 | 11,463 | 81,298 |
| 2015 | 137 | 9,505 | 69,380 |
| 2016 | 135 | 9,407 | 69,682 |

^{a)}This table is drawn up by us, based on the official data of the National Statistics Office of Georgia and the National Bank of Georgia, and the 4th column indicators are calculated by us.

In 1995 the total volume of foreign trade in Georgia amounted to 644 million USD, and in 2016 -15 times more, 9,5 billion.⁴⁴ In the same period, the foreign trade turnover of India increased by more than \$ 428 thousand 234 times to almost 100 million dollars. However, it should be noted, that India's share in the total foreign trade of Georgia is not great yet, but it is

⁴ Gelashvili, S. (2016), p. 55.

characterized by significant growth trend (in 2016 the share was 1,06% instead of 0,25 - in 2000 and 0,65 - in 2010).

There is a certain interest of India's ordinary position in the ranking of Georgia's trading partners, as with the whole trade turnover, so with export and import. For illustration see the Table 2.

Table 2. India's ordinary position in the foreign trades of Georgia^{b)}

| Years | In the total trade turnover of Georgia | In Export of Georgia | In Import of Georgia |
|-------|--|----------------------|----------------------|
| 1 | 2 | 3 | 4 |
| 1995 | 37 | 24 | 45 |
| 1996 | 20 | 30 | 17 |
| 1997 | 49 | 27 | 58 |
| 1998 | 51 | 29 | 54 |
| 1999 | 44 | 40 | 40 |
| 2000 | 37 | 20 | 43 |
| 2001 | 22 | 13 | 34 |
| 2002 | 23 | 20 | 29 |
| 2003 | 20 | 14 | 28 |
| 2004 | 26 | 18 | 33 |
| 2005 | 30 | 32 | 32 |
| 2006 | 30 | 17 | 36 |
| 2007 | 29 | 23 | 30 |
| 2008 | 30 | 20 | 33 |
| 2009 | 28 | 28 | 28 |
| 2010 | 27 | 22 | 29 |
| 2011 | 23 | 20 | 26 |
| 2012 | 22 | 24 | 24 |
| 2013 | 30 | 37 | 29 |
| 2014 | 29 | 28 | 29 |
| 2015 | 28 | 28 | 28 |
| 2016 | 21 | 24 | 20 |

^{b)}This table is drawn up by us, based on the official data of the National Statistics Office of Georgia and the National Bank of Georgia.

In 1995 between Georgia's 67 trade partner countries, in total trade turnover India was in 37th place, while in exports- in 24th place. In 2016 India had the 21st place out of 135 countries in total trade turnover and 24th place in export

volume. It should be noted that in 1995-2016, India was 8 times in the list of first platoon of major trading partners, indicating that India is an important trading partner for Georgia. The importance of it is also due to the fact that India is one of the largest countries, where around 18 percent of the world's population lives.⁵ Table 3 below shows clearly the development of trade relations between Georgia and India at the end of the 20th century and the beginning of the current century.

Table 3. Indicators of Georgia-India Trade Balance (thousand US dollars)^{e)}

| Years | Total trade turnover | Export | Import | Balance |
|-------|----------------------|--------|--------|---------|
| 1 | 2 | 3 | 4 | 5 |
| 1995 | 0,428 | 0,317 | 0,111 | 0,206 |
| 1996 | 8,516 | 0,189 | 8,327 | -8,138 |
| 1997 | 0,655 | 0,305 | 0,350 | -0,045 |
| 1998 | 1,116 | 0,360 | 0,756 | -0,396 |
| 1999 | 1,822 | 0,292 | 1,530 | -1,238 |
| 2000 | 2,561 | 1,320 | 1,241 | 0,079 |
| 2001 | 6,524 | 4,443 | 2,081 | 2,362 |
| 2002 | 6,315 | 2,125 | 4,190 | -2,065 |
| 2003 | 12,374 | 6,352 | 6,022 | 0,330 |
| 2004 | 11,801 | 6,028 | 5,773 | 0,255 |
| 2005 | 10,594 | 2,259 | 8,335 | -6,076 |
| 2006 | 20,522 | 8,685 | 11,837 | -3,152 |
| 2007 | 40,275 | 8,141 | 32,134 | -23,993 |
| 2008 | 39,941 | 9,089 | 30,852 | -21,763 |
| 2009 | 33,912 | 5,816 | 28,096 | -22,280 |
| 2010 | 44,818 | 12,355 | 32,463 | -20,108 |
| 2011 | 74,670 | 19,290 | 55,380 | -36,090 |
| 2012 | 89,059 | 14,941 | 74,118 | -59,177 |
| 2013 | 62,005 | 6,362 | 55,643 | -49,281 |
| 2014 | 61,227 | 10,757 | 50,470 | -39,713 |
| 2015 | 64,977 | 14,327 | 50,650 | -36,323 |
| 2016 | 99,710 | 22,201 | 77,509 | -55,308 |

^{e)}This table is drawn up by us, based on the official data of the National Statistics Office of

⁵ Gelashvili, S. (2015). Statistics of foreign countries. Published by „Meridiani”, Tbilisi, p. 30.

Georgia and the National Bank of Georgia, and the 5th column indicators are calculated by us.

As shown in Table 3, in the analytical period, i.e. for the whole 22 years, Georgia had positive trade balance with India only 5 times (1995, 2000-2001 and 2003-2004). For the remaining 17 years, Georgia's balance of trade with India was unfortunately negative. This unwanted situation has been established in 2005-2016 as a strongly marked regressive trend. During this period the maximum negative trade balance was between 2012 and 2016 when the volume of imports from India to Georgia was 5,0 and 3,5 times higher than the volume of Exports in the same years from Georgia to India. Generally, anomalously large negative trade balance is one of the major economic problems in Georgia.⁶

The trend of trade relations between Georgia and India in the long term is not statistically stable and has a variable character. Uneven speed of change is clearly confirmed by the pace of the annual increase in the amount of trade turnover calculated by us. The analysis revealed that the increase in the volume of Georgia's foreign trade is higher with India than with the rest of the world. For example, in 2006-2016, the average annual trade growth of Georgia-India was 52,51%, while in whole country it was 22,22%, or much less (2,4 times). These indicators indicate that India is becoming an increasingly important trade partner country for Georgia.

Georgia-India trade relations research includes an analysis of its structure and export-import quantitative ratio. The following table shows the weight of the export and import in trade turnover (%).

⁶ Gelashvili, S. (2002). Georgia's economic development Priorities in beginning of XXI century. Collected articles of Russian State Humanitarian University, Moscow, 2002, p. 198.



Table 4. The weight of export and import of Georgia-India trade turnover (%)^{d)}

| Years | Export Share | Import Share |
|-------|--------------|--------------|
| 1 | 2 | 3 |
| 1995 | 74,07 | 25,93 |
| 1996 | 2,22 | 97,78 |
| 1997 | 46,57 | 53,43 |
| 1998 | 32,26 | 67,74 |
| 1999 | 16,03 | 83,97 |
| 2000 | 51,54 | 48,46 |
| 2001 | 68,10 | 31,90 |
| 2002 | 33,65 | 66,35 |
| 2003 | 51,33 | 48,67 |
| 2004 | 51,08 | 48,92 |
| 2005 | 21,32 | 78,68 |
| 2006 | 42,32 | 57,68 |
| 2007 | 20,21 | 79,79 |
| 2008 | 22,76 | 77,24 |
| 2009 | 17,15 | 82,85 |
| 2010 | 27,57 | 72,43 |
| 2011 | 25,83 | 74,17 |
| 2012 | 16,78 | 83,22 |
| 2013 | 10,26 | 89,74 |
| 2014 | 17,57 | 82,43 |
| 2015 | 22,05 | 77,95 |
| 2016 | 22,27 | 77,73 |

^{d)}The 2nd and 3rd columns indicators of this table are calculated by us, based on the official data of the National Statistics Office of Georgia and National Bank of Georgia.

As shown in Table 4, long-term tendencies of export and import dependence between Georgia and India have mutual differences. In 1995 the share of export was 74.07%, 51.54% in 2000, 21.32% in 2005 and 22.27% in 2016. Therefore, there is a clearly marked regressive tendency, but it can be reversed, as it is potentially exportable to India in the future. The long-term opposite tendency has been changed in the change of import share: the share of import was 25.93% in 1995, 48.46% in 2000, 78.68% in 2005 and 77.6% in 2016. Therefore, the trend of growth increases easily. Of course, such a ratio of export and

import is undesirable for Georgia, and on the contrary, India is desirable.

To evaluate the effectiveness of foreign trade, it is advisable to use such criteria as export-imports relative coefficient.⁷ If the value of the import-export ratio is equal to zero, then there is no place to import goods from other countries in the given country and export is carried out; If this coefficient is close to zero, it means that the volume of exports is much higher than the import; Both cases are highly desirable for any country. Of course, if this coefficient is equal to one, then the volume of export and import is equal to the balance of foreign trade.⁸ If the ratio is more than one then the volume of imports is higher, which is undesirable for any country. The minimum value of import-export ratio coefficients in Table 3 was above 1995 and 2001 (0,35 and 0,47), the equilibrium coefficient, i.e. in 2003 and 2004 (0,95 and 0,96) While the maximum in 1996 and 2013 (44,06 and 8,75).

In research of Georgia-India trade relations it is important to analyze the commodity structure according to the registered export and import separately. We have introduced the rankings of commodity groups and the largest share of 5 largest export and import products. It turned out that in 1995 there was only 1 commodity group from Georgia to India, and it was "parts of flying machines", with a total value of 317,0 thousand USD. Since 2000, the exporting commodity structure has expanded, and made 6 groups, in the following years: 8 in 2005, 28 in 2010, 17 in 2015 and in 2016- 25 commodity groups. The following table shows the 5 largest export commodity groups according to the named years.

⁷Gelashvili, S. and others (2013). Statistics for Economics and Business. II Book. Published by TSU, Tbilisi, p. 277 https://www.tsu.ge/data/file_db/economist_faculty/stat2.pdf

⁸ Gelashvili, S. (2017). Statistical Forecasting in Economic and Business. Published by,, Meridiani", Tbilisi, p. 159

Table 5. The 5 largest commodity group exported from Georgia to India (thousand US dollars)^{e)}

| 2000 year | | |
|------------------|--|----------|
| 1 | Aluminum waste and scrap | 861,6 |
| 2 | Copper waste and scrap | 330,2 |
| 3 | Parts of flying machines | 86,9 |
| 4 | Ferrous metals waste and scrap | 24,8 |
| 5 | Wooden material, along with a thickness, thickness of more than 6 mm | 8,6 |
| 2005 year | | |
| 1 | Ferrous metals waste and scrap | 1 139,6 |
| 2 | Copper waste and scrap | 589,6 |
| 3 | Aluminum waste and scrap | 466,1 |
| 4 | Machines and apparatus for electric welding | 32,1 |
| 5 | Zinc waste and scrap | 22,1 |
| 2010 year | | |
| 1 | Aluminum waste and scrap | 3 686,6 |
| 2 | Ferrous metals waste and scrap | 2 791,2 |
| 3 | Raw bullet | 2 226,3 |
| 4 | Copper waste and scrap | 1 944,8 |
| 5 | Carbon steel in the first forms | 648,6 |
| 2015 year | | |
| 1 | Mineral or chemical fertilizers, nitrogenous | 8 095,1 |
| 2 | Aluminum waste and scrap | 4 568,3 |
| 3 | Copper waste and scrap | 497,2 |
| 4 | Ferrous metals waste and scrap | 483,0 |
| 5 | Zinc waste and scrap | 287,1 |
| 2016 year | | |
| 1 | Mineral or chemical fertilizers, nitrogenous | 17 611,0 |
| 2 | Aluminum waste and scrap | 3 021,4 |
| 3 | Zinc waste and scrap | 337,6 |
| 4 | Ferrous metals waste and scrap | 308,3 |
| 5 | Special vehicles | 229,1 |

^{e)}It is drawn up by us, based on the Database of National Statistics Office of Georgia.

In 2000, in Georgia's total exports volume to India, specific weight of the first five largest export commodity groups amounted to 99,36%, while in 2016 - 96,88%. This indicates that export commodity nomenclature has expanded, which is a positive trend for Georgia. In 2000-2015, however, in the top five of the largest export commodity groups are always the following three groups (aluminum wastes and scrap metal, copper wastes and scrap metal wastes and scrap) this

indicate that it is necessary to expand the diversification of export goods.⁹

Empirical analysis of structure of imported goods from India to Georgia is also interesting. According to official statistical data, in 1995 there were 8 nomenclature commodities group from India. Since 2000, the commodity structure of export has already expanded, and in the following years the number has increased greatly and

⁹Gelashvili, S. (2016), p. 57; Gaganidze, G., Ramishvili, B. and others (2017). Main directions of improvement of foreign Trade Balance of Georgia. Published by TSU, Tbilisi, p. 43.



reached: in 2005 - 137, in 2010 - 341, in 2015 - 362 and 2016 - 403 commodities. The following

table shows the 5 largest import commodity groups ranked by the named years.

Table 6. The 5 largest commodity group imported from India to Georgia (thousand US dollars)^{f)}

| 1995 year | | |
|-------------------|--|----------|
| 1 | Human blood; Animal blood for medical purposes; Immune serums | 50,2 |
| 2 | Composite leather on the basis of natural leather or leather fiber | 20,0 |
| 3 | Packaged medicines | 19,3 |
| 4 | Mixed goods | 11,5 |
| 5 | Unpacked Medicines | 7,7 |
| 2000 year | | |
| 1 | Packaged drugs | 835,3 |
| 2 | Meat of bovine animals, frozen | 201,1 |
| 3 | Tools and equipment to be used in medicine or veterinary medicine | 69,3 |
| 4 | Human blood; Animal blood for medical purposes; Immune serums | 35,2 |
| 5 | unpacked medicines | 28,9 |
| 2005 year | | |
| 1 | Packaged drugs | 2 287,6 |
| 2 | Meat of bovine animals, frozen | 2 145,8 |
| 3 | Derrick cranes of the vessel; Cranes of different types | 468,7 |
| 4 | Polyacetels, polyethylene simple and other resins in the primary forms of epoxy | 436,1 |
| 5 | Processed stones | 411,0 |
| 2010 year | | |
| 1 | Meat of bovine animals, frozen | 11 151,1 |
| 2 | Packaged drugs | 4 378,9 |
| 3 | unpacked drugs | 2 951,3 |
| 4 | Telephone devices, cellular phones or other wireless networks | 1 266,6 |
| 5 | Paper and paperboard for non-transparent use, printing or other graphic purposes | 701,6 |
| 2015 year | | |
| 1 | Packaged drugs | 8 041,0 |
| 2 | Hydro turbines, water wheels and their regulators | 5 891,6 |
| 3 | unpacked drugs | 3 319,1 |
| 4 | Parts for electric engines, generators and rotary electric converters | 2 655,9 |
| 5 | Pumps with fluid expenditure or without Tractor fluid | 2 634,0 |
| 2016 years | | |
| 1 | Packaged drugs | 15 580,1 |
| 2 | Metal constructions from ferrous metals and parts thereof | 9 700,6 |
| 3 | Stained wires, surnames, zones and similar products from aluminum | 7 653,7 |
| 4 | Hydro turbines, water wheels and their regulators | 5 325,5 |
| 5 | Transformers for electric, static electric transformers | 4 539,4 |



^{f)}It is drawn up by us, based on the Database of National Statistics Office of Georgia.

The empirical study of imported commodity structures from India to Georgia shows the fact that during the whole period (1995-2016 years) in the first five groups of the largest importing commodity groups, 2 commodity groups (packaged medicines and unpacked medicines) are continuously presented. But it should be noted that commodity nomenclature of imports coming from India to Georgia is much more varied and diverse, compared to the reverse flow - exports, what is clearly confirmed by the following data: In 2016 from India from Georgia came 403 kinds of commodity group, and in the same year from Georgia to India was exported a total of 25 commodity groups, 16 times less.

To evaluate the effectiveness of foreign trade, it is also recommended to use criteria such as the total trade turnover per capita. The next 7th table shows that by calculating one per capita, foreign trade index of Georgia is quite high with India, especially in 2011-2016.

Table 7. Relative Indicators of Foreign Trade of Georgia with India (per capita, thousand \$)^{g)}

| Years | Total trade turnover | Export | Import |
|-------|----------------------|--------|--------|
| 1 | 2 | 3 | 4 |
| 1995 | 90 | 67 | 23 |
| 1996 | 1 794 | 41 | 1 753 |
| 1997 | 144 | 67 | 77 |
| 1998 | 249 | 80 | 169 |
| 1999 | 409 | 66 | 343 |
| 2000 | 579 | 299 | 280 |
| 2001 | 1 497 | 1 015 | 482 |
| 2002 | 1 450 | 488 | 962 |
| 2003 | 2 858 | 1 468 | 1 390 |
| 2004 | 2 730 | 1 395 | 1 335 |
| 2005 | 2 429 | 517 | 1 912 |
| 2006 | 4 666 | 1 975 | 2 691 |
| 2007 | 9 178 | 1 853 | 7 325 |
| 2008 | 9 109 | 2 074 | 7 035 |

| | | | |
|------|--------|-------|--------|
| 2009 | 7 688 | 1 320 | 6 368 |
| 2010 | 10 065 | 2 775 | 7 290 |
| 2011 | 16 656 | 4 301 | 12 355 |
| 2012 | 19 831 | 3 328 | 16 503 |
| 2013 | 13 819 | 1 418 | 12 401 |
| 2014 | 14 926 | 2 622 | 12 304 |
| 2015 | 17 481 | 3 855 | 13 626 |
| 2016 | 26 810 | 5 968 | 20 842 |

^{g)}It is drawn up by us, based on the Database of National Statistics Office of Georgia.

Based on Table 7 it is possible to see the following changes: In 1995 India's total trade turnover was just 90 thousand dollars calculating per capita, and in 2016 this figure amounted to 26, 8 million dollars. The increase is noticeable (almost 300 times), which is very important for any big or small country. It is also noteworthy that the larger growth was observed in the indicators of imports of goods: In 1995 the volume of imports from India was only 23 thousand dollars in calculating per capita, in 2016 this figure was 20,8 million dollars, or 906 times higher. Therefore, the relative index of imports exceeded the same amount of exports by 3 times that indicates a great deficit of foreign trade balance. Georgia's foreign trade balance is one of the priorities of the country's economic policy.¹⁰

Conclusion

After the collapse of the Soviet Union, independent Georgia's foreign trade geography expanded significantly, which also significantly

¹⁰Gelashvili, S., Muchiashvili, M., Maisuradze, I. (2012). Macroeconomic Statistics. Published by TSU, Tbilisi, https://www.tsu.ge/data/file_db/economist_faculty/makroekononikuri%20statistik.pdf;

¹¹Mikeladze, G., Gelashvili, S.(2016). Gradualistic strategy of transition to market economy. Theoretical and Applied Economics. Volume XXIII, No 4(609), Winter, p. 241; Papava, V. (2015). Georgian Economy: Reforms and Pseudo Reforms. Tbilisi, "Intellect", p. 97.



increased trade turnover. The clear proof is that if Georgia had trade relations with 67 countries in 1995, their number doubled in 2016 and became 135. This led to the overall volume of Georgia's foreign trade turnover (almost 15 times) significantly increased.

In 1995-2016, with the index of export volume, India was 8 times in the first platinum group of trading partner countries, it indicates that India is an important trading partner for Georgia.

In the analysis period, for the whole 22 years, Georgia had positive trade balance with India only 5 times (1995, 2000-2001 and 2003-2004). For the remaining 17 years, Georgia's balance of trade with India was unfortunately negative. This unwanted situation has been established in 2005-2016 as a strongly marked regressive trend.

The rate of increase of foreign trade in Georgia is higher with India, than with the rest of the world. For instance, in 2006-2016 the average annual trade turnover between Georgia and India amounted to 52,51 percent, while in whole countries it was much less, 22,21 percent.

Long-term tendencies of export and import difference between Georgia and India have contradictory trends. In 1995 the share of export was 74.07%, 51.54% in 2000, 21.32% in 2005 and 22,27% in 2016. Therefore, there is a clear cut in trend. The long-term opposite tendency was shown in the change of import share: in 1995 the import share was 25,93%, in 2000 - 48.46% in 2005, 78.68% in 2005 and 77,73% in 2016. Such a share of export and import is undesirable for Georgia, and for India, on the contrary, is desirable.

Analysis of Export Trading Structures from Georgia to India has been established that in 1995, only 1 trademark was exported from Georgia to India and it was "parts of flying machines" with

total value of 317, 0 thousand USD. Since 2000, the exporting commodity structure has expanded to 6 groups, in the following years: 8 in 2005, 28 in 2015 - 17 and in 2016, 25 commodity groups. However, the top five of the 25 largest export products are 97%. This indicates that it is necessary to expand the diversification of export products.

The different trends in research have been revealed from structure of imported goods from India to Georgia: In 1995, Georgia had imported 8 nomenclature commodity groups. Since 2000, the commodity structure of export has already expanded to 25 groups, and in the following years the number has increased greatly and reached: in 2005 - 137, in 2010 - 341, in 2015 - 362 and 2016 - 403 commodities. These numbers prove that Georgia is a preferred trade partner, regardless of the small market, especially when it has a free trade regime with the EU countries and it can also be used by India to export its products through Georgia to Europe.

In the analyzes period (1995-2016), Georgia's foreign trade ratings with India were significantly increased (calculated per capita), in particular: 300 times - with the volume of total trade turnover, and the relative value of the import volume - 906 times. This tendency indicates to anomalous deficit of the foreign trade balance.

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