

Dutch and Georgian business partners trade on special Sakartvelo feeling

Holland and Georgia have a number of things in common to be proud of: small country, educated people and a hinterland. Dutch involvement in the development of Georgia covers a wide variety of sectors, and results look promising.

For Dutch business, Georgia should not only be seen as a promising market in itself, but also as an important foothold to develop markets in other parts of the region, those Dutch pioneers who have had the experience think.

“Together, Georgia and Holland make a perfect blend, even though from the outside it may look as if they have contradictory business approaches,” says long-term resident of Tbilisi Sandra Roelofs.

“In my view, in terms of personal and spiritual aspects, if you add Georgia’s sense of colour and gloss to the Dutch’s black-and-white mania for planning, you get a perfectly workable atmosphere, the results of which can become tremendously fruitful.”



Sandra Saakashvili-Roelofs

In late 1990s Tbilisi Sandra Roelofs became known as the first ‘unofficial ambassador’ of The Netherlands in the country. One of the reasons is that she is married to one of the country’s local celebrities, Mikhail Saakashvili. Until recently, he was a rising star within President Eduard Shevardnadze’s Citizens Union Party and was for a time the Minister of Justice.

At present, Sandra Saakashvili-Roelofs is working on the formation of a Dutch-Georgian Business Council and coordinates short Dutch expert missions in Georgian companies.

“I am thinking of an organisation that works fully independently, also in terms of self-sustainability,” she says. “Dutch companies often hesitate to step into Georgia, in spite of the great variety of opportunities over here. A fully sovereign, fully market-orientated organisation in place could very well help Dutch entrepreneurs overcome their fears and on the other hand help Georgians overcome their initial fears of transparency in business.”

• Popular brands

Holland is popular in Georgia. Not only do the Arveladze twin brothers owe much of their football careers to Dutch clubs, but also the popular brand names Heineken, Bavaria, Grolsch, Persil, Omo, Calve and others are known to all.

Dutch language classes are another area attracting growing interest in Tbilisi. Ingrid Degraeve, a young Belgian linguist who started teaching Dutch language in the city a few years ago, recently had to hire a second teacher because of increased demand.

“You see an impressive collection of Dutch consumer

goods and household articles on the market,” Sandra Roelofs says. “But most of them are not directly supplied by their manufacturers or even through authorised agents. There are dozens of individual businessmen working here who have their wholesale purchasers in Holland and other European countries. Some of them take turns to get supplies delivered - outside the interstate trade system, that is. This way of trading can be extremely lucrative; I have heard of net profit margins of up to 40 percent.”

Among the products imported in a regular way from The Netherlands into Georgia are baby food, supplied by the Dutch branch of Nestle and some smaller companies, glue and coating supplied by Akzo Nobel, fertilizers and seeds, and software from Exact. The Netherlands is also among Georgia’s most important upmarket suppliers of perfume and



Dutch dredging vessel in Poti

cosmetics.

• Gateway to the west

Transport, mainly through the Dutch-Georgian joint ventures ABX and Oceannet, is playing a prominent role in Georgia’s economic development as well.

“The service sector is of vital importance to Georgia’s future wealth,” says Annemarie Spaargaren, co-ordinator at Senter and responsible for the execution of Dutch economic co-operation program PSO in Georgia.

“The port of Poti has the potential to become the Caucasus region’s best gateway to the west. The Netherlands is

Dutch-Georgian Trade Balance (in millions of Dutch guilders)

| Holland-Georgia | 1997 | 1998 | 1999 | 2000 |
|-------------------|------|------|------|------|
| Total | 28.3 | 39.1 | 23.1 | 29.4 |
| Total Agriculture | 8.6 | 13.6 | 7.7 | 7.7 |
| Total Industry | 19.7 | 25.5 | 15.3 | 21.6 |
| Georgia-Holland | 1997 | 1998 | 1999 | 2000 |
| Total | 17.7 | 24.2 | 16.6 | 11.1 |
| Total Agriculture | 0.7 | 6.4 | 1.4 | 0.7 |
| Total Industry | 17.0 | 17.8 | 15.2 | 10.4 |

Source: CBS