



March 15 - March 19, 2010

## Main Theme of Week

- According to the preliminary data of the Department of Statistics, in 2009, Foreign Direct Investment (FDI) to Georgia amounted to 759,1 million USD
- The first Georgian-Slovakian business forum was held in Hotel „Radisson“
- Agreements concerning the allocation of 180 million Euro by the EBRD were signed at the Ministry of Finance of Georgia

## Economic and Business News

### Foreign Direct Investment

**According to the preliminary data of the Department of Statistics, in 2009, Foreign Direct Investment (FDI) to Georgia amounted to 759,1 million USD.**

United Arab Emirates is leader country by FDI in Georgia, which made the investment in amount of 169, 8 million USD in 2009.

The biggest countries by FDI in Georgia are as follows:

- ⇒ United Arab Emirates – 169,8 million USD (22,4% of total FDI);
- ⇒ Egypt – 167, 5 million USD (22, 1%);
- ⇒ Netherlands – 105, 7 million USD (13, 9%);
- ⇒ Turkey – 89, 5 million USD (11, 8%);
- ⇒ Panama – 73, 4 million USD (9, 7%);
- ⇒ UK – 63, 5 million USD (8, 4%).

### Georgian-Slovakian business forum

**The first Georgian-Slovakian business forum was held in Hotel „Radisson“.**

On the event the Minister of Economic Development of Georgia introduced the economic environment and the investment possibilities of Georgia to the guests. The Minister of Foreign Affairs of Slovakia made a report about the visit of the Slovakian delegation and talked about the economic potential of Slovakia.

Representatives of 14 Slovakian business companies of different profiles such as construction, energy, telecommunication, vehicle constructing, transport, tourism and other realms attended the event. Bilateral meetings were held after the forum between the Georgian and Slovakian companies.

### Allocated funds

### Agreements concerning the allocation

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### **of 180 million Euro by the EBRD were signed at the Ministry of Finance of Georgia.**

80 million Euro was allocated for the construction of Black Sea High Voltage Transmission Line by the European Bank for Reconstruction and Development (EBRD). Allocated funds is planned to be used for the realization of Black Sea High Voltage (400/500 KV) Transmission Line project. Through this project will be possible to connect successfully Georgia-Turkey electricity systems. The project also includes the construction of a new substation in Akhaltsikhe near the Turkish border. This new transmission line will considerably improve the reliability of the electricity supply and strengthen the energy security of Georgia and the whole region. Through the connection of Georgia-Turkey electricity systems Georgia will gain the possibility to increase the electricity export to Turkey.

There was signed also an agreement about allocation of 100 million Euro for the construction of a new railway route bypassing the city between EBRD and Georgia. New railway bypass will replace an existing section of the railway line that runs through the centre of Tbilisi. The project will support of Tbilisi's further infrastructure and urban development.

### **Money Transfers**

**According to the National Bank of Georgia, in February 2010 the volume of money transfers from abroad constituted 61.7 million USD, which is 17.9 percent (9.4 million USD) more than the same amount for February 2009.** During this period the volume of remittances significantly grew from Russia

(by 5.6 million), Greece (by 1.2 million) and Ukraine (by 0.8 million), as well as for several other countries.

88.1 percent of total money transfers from abroad fall on those seven big donor countries (Russia, USA, Ukraine, Greece, Italy, Turkey, Spain), from which the volume of such transfers exceeded 1 million USD in February. In February 2009 the share of these 7 countries constituted 87.3 percent of the total volume of money transfers.

In February 2010 5.6 million USD were transferred from Georgia, instead of 5.5 million USD in February 2009.

### **Refinancing Rate**

**The Monetary Policy Committee (MPC) of the National Bank of Georgia decided to keep its Main Policy Rate (the refinancing rate) unchanged at 5 percent.**

Several positive trends have been observed in February: money transfer inflows increased by annual 17.9 percent and preliminary data of trade statistics has shown significant increase in export volume. The volume of FDI comprised USD 759.1 million in 2009 and is expected to increase even more this year based on the current trends.

In order to enhance domestic currency dominated lending and contribute to the development of the money market the NBG is planning to introduce new instruments in the next few weeks. Namely, the NBG will enact standing facilities, overnight credits and overnight deposits, aimed at reducing the volatility of the interbank money market rate. The NBG also plans to widen the eligible collateral base for refinancing loans.

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## Daily Economic Statistics

### Indexes

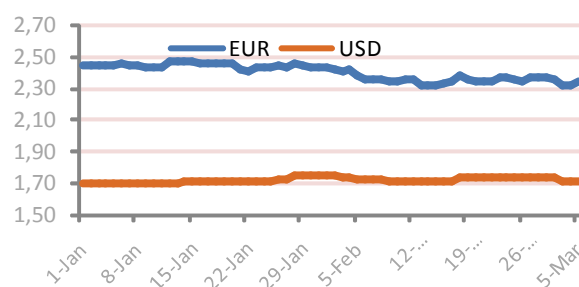
	18.03.10	19.03.10	Change
NASDAQ	2 389,09	2 391,28	▼ -0,1%
S&P 500	1166,21	1165,82	▼ -0,18%
Dow Jones	10 733,67	10 779,17	▼ -0,6%
Georgia's Eurobond (price)	104,24	104,33	▼ -0,18%
Georgia's Eurobond (yield)	5,962	5,929	▼ -0,6%

Source:

Yahoo Finance, Galt & Taggart Securities

### Foreign Exchange Rates (GEL)

	USD	EUR
19.03.10	1,7365	2,3755
18.03.10	1,7327	2,3887
17.03.10	1,7226	2,3608
16.03.10	1,7480	2,3611
15.03.10	1,7220	2,3715



Source:

National Bank of Georgia

### World Prices (USD)

	15.03.10	16.03.10	17.03.10	18.03.10	19.03.10
BRENT (DTD) (1 Barrel)	80,68	80,45	82,22	82,46	81,69
Gold (1 Uncia)	1104,00	1113,25	1131,25	1122,75	1121,50
Silver (1 Uncia)	17,02	17,24	17,54	17,54	17,49
Cooper (1 KG)	7,470	7,330	7,342	7,488	7,476

Source:

MetalPrices.com, LBMA.org.uk, Yahoo Finance

## Main Macroeconomic Indicators

- In 2008, nominal GDP of Georgia amounted 12 800,5 mln. USD, while in 2004 it amounted 5 125 mln. USD
- In 2008, the real GDP growth rate in Georgia was 2,3%

	2004	2005	2006	2007	2008
Nominal GDP (mln. GEL)	9824,3	11620,9	13789,9	16993,8	19074,9
Real growth of GDP	5,9%	9,6%	9,4%	12,3%	2,3%
GDP per capita (GEL)	2276,7	2689,1	3133,1	3866,9	4352,9

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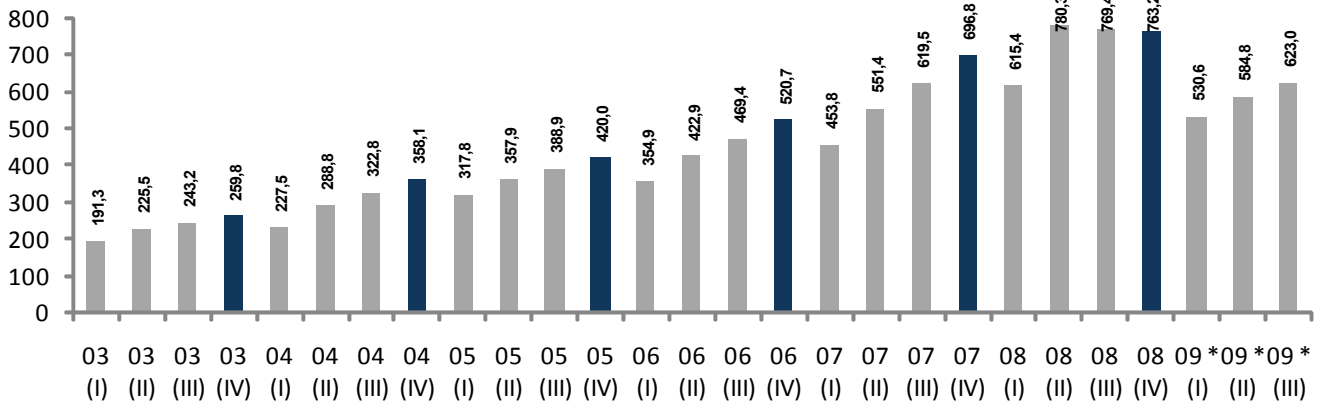
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## GDP per capita (USD)

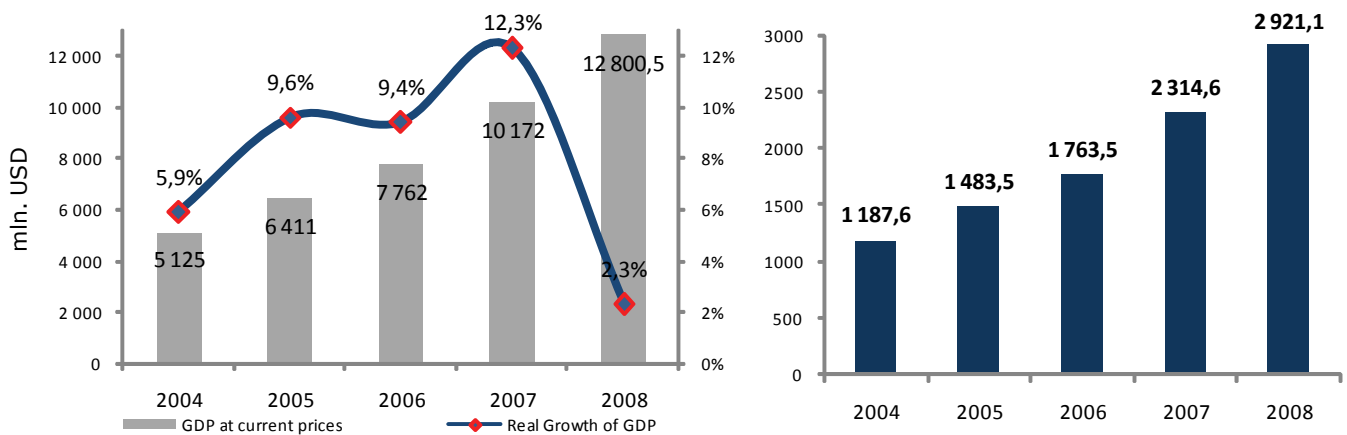


Source:

National Statistics Office of Georgia

## GDP at current prices and real growth

## GDP per capita (Annual, USD)



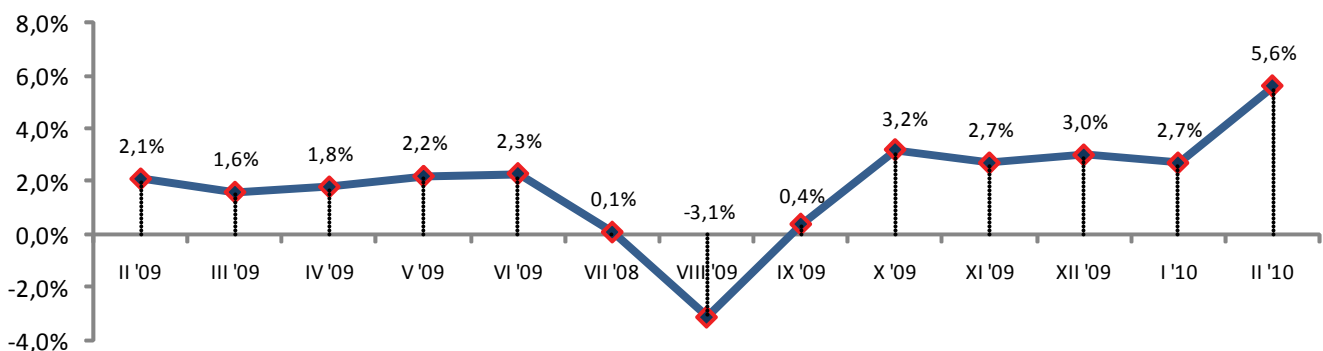
Source:

National Statistics Office of Georgia

### Remark:

Adjusted evaluations will be published by end of November of 2010

## Inflation



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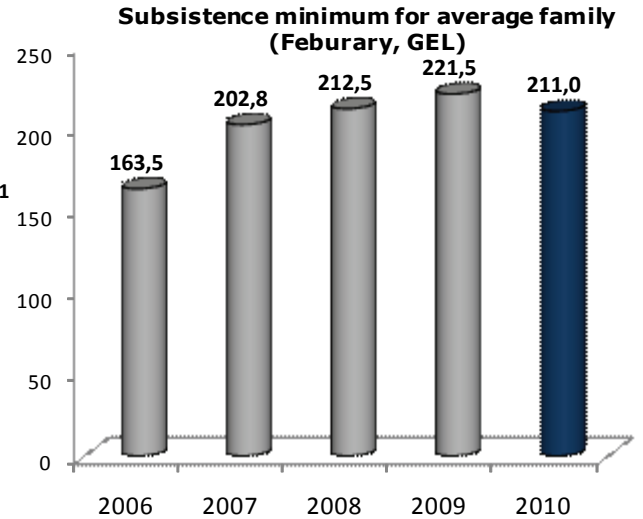
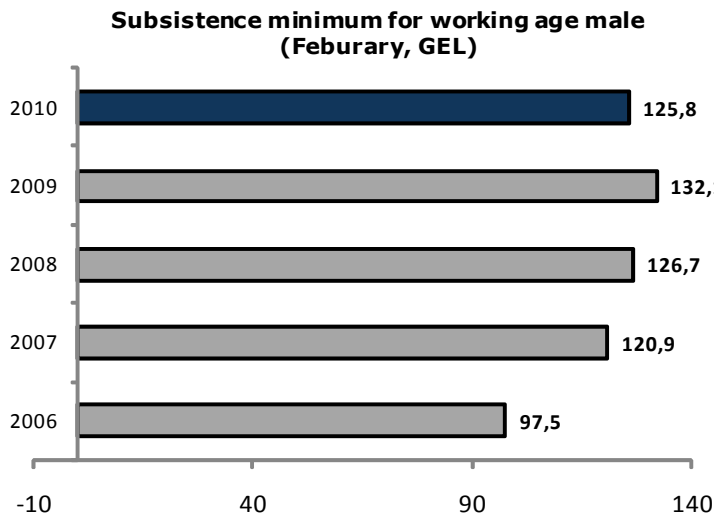
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	2005	2006	2007	2008
Active population (labour force, thousand person)	2023,9	2021,8	1965,3	1917,8
Employed	1744,6	1747,3	1704,3	1601,9
Salaried employees	600,5	603,9	625,4	572,4
Self-employed	1143,3	1141,6	1078,8	1028,5
Not classified	0,8	1,8	0,1	1,1
Unemployed	279,3	274,5	261,0	315,8
Unemployment rate (%)	13,8	13,6	13,3	16,5



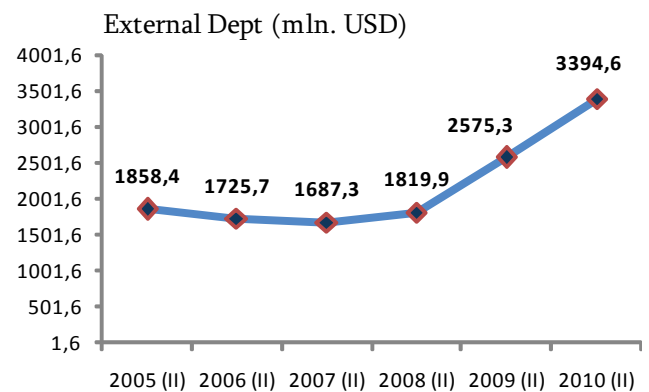
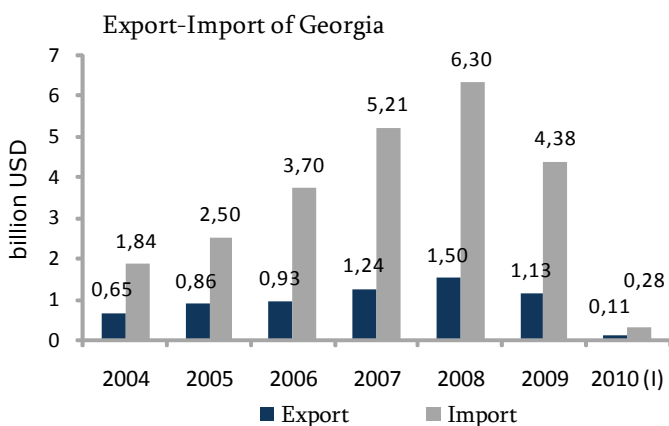
	2006	2007	2008	2009	2010*
Working age male	106,5	118,6	127,9	128,8	125,8
Average consumer	94,4	105,0	113,3	114,1	111,4
Average family	178,7	198,9	214,6	216,0	211,0

(\* February, GEL)

Source:

National Statistics Office of Georgia

External Economic Statistics



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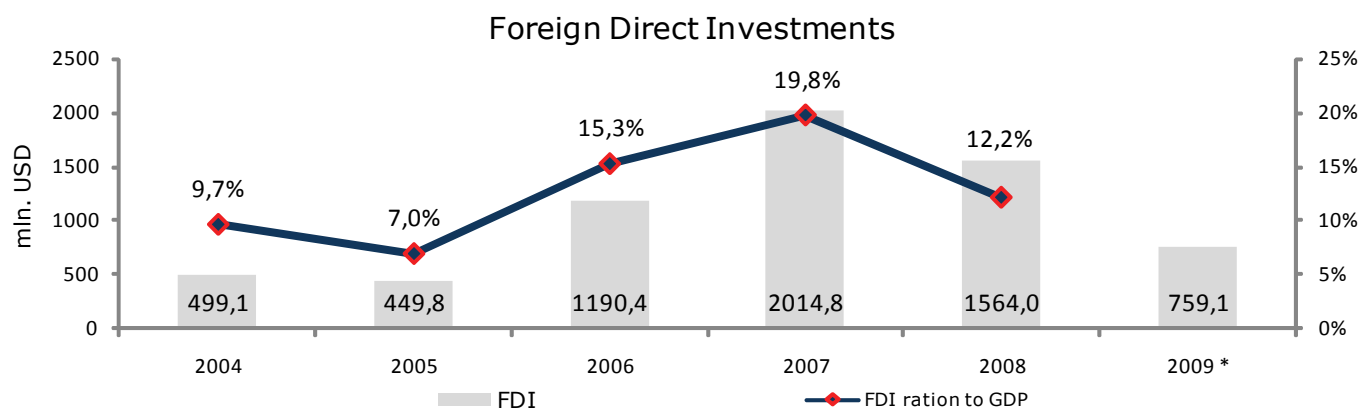
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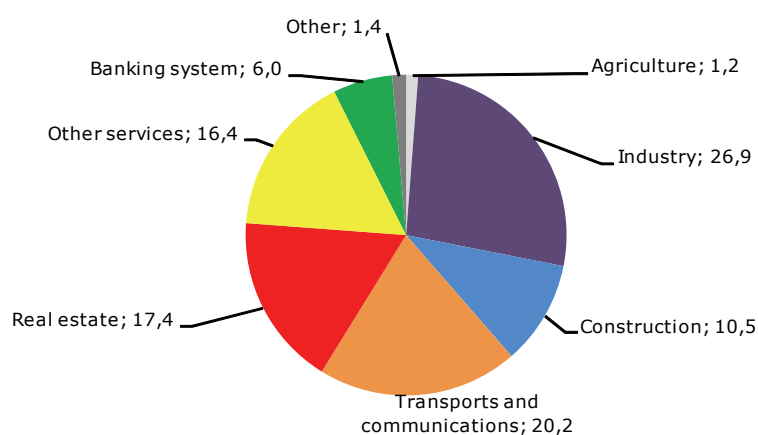
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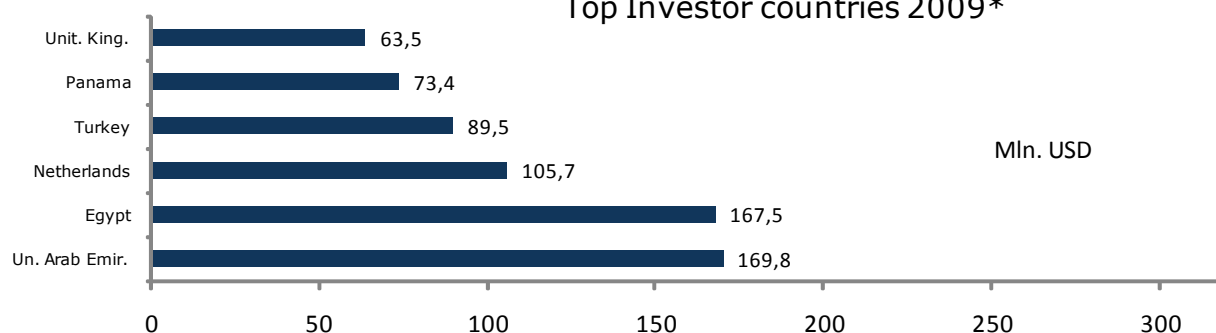




FDI by Economic Sectors (2009\*, %)



Top Investor countries 2009\*



- Foreign Direct Investments in Georgia in 2009\* was 759,1 mln.USD

	2006	2007	2008	2009	2010 (I)
Registered Export (FOB)	936,2	1232,4	1496,1	1135,0	106,6
Registered Import (CIF)	3677,7	5214,9	6304,6	4378,3	278,3
Turnover	4613,9	6447,3	7800,6	5513,3	384,9
FDI in Georgia	1190,4	2014,8	1564,0	759,1*	
Foreign dept of Georgia	1697,5	1790,0	2691,4	3381,5	3428,1

(mln. USD) Data for 2009 is preliminary

source : *National Statistics Office of Georgia, National Investment Agency, Ministry of Finance of Georgia*

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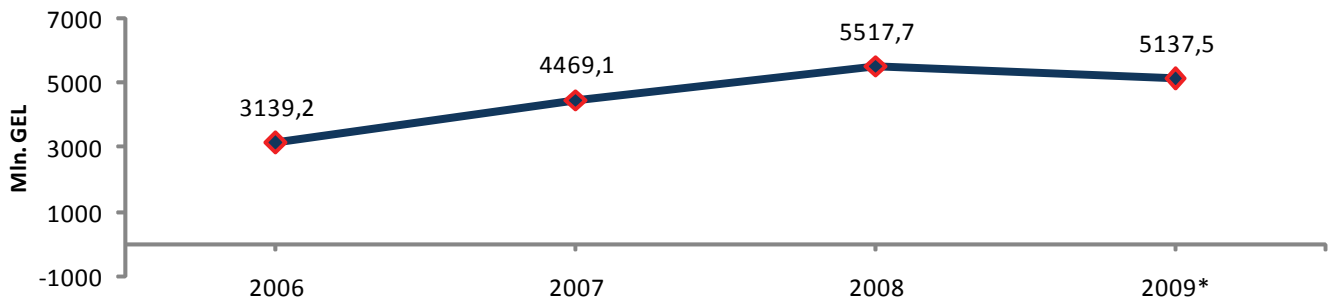
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## State Budget Revenues



	2006	2007	2008	2009
<b>Revenues</b>	3139,2	4469,1	5517,7	5137,5
Taxes	2130,3	3010,5	4541,6	4260,0
Social contributions	502,8	722,0		
Grants	167,6	208,7	617,2	555,5
Other revenues	338,5	527,8	359,0	322

(მლნ. ლარი)

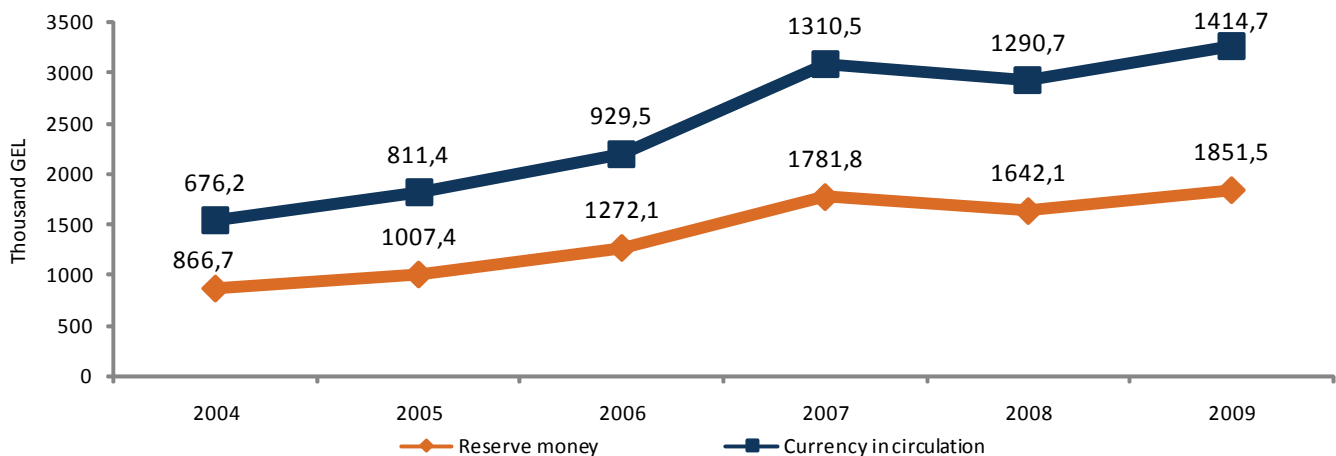
Remark:

Datas for 2009 are plans

Source:

Georgian law about State Budget

## Monetary Indicators



	2004	2005	2006	2007	2008	2009
Reserve money	866,7	1007,4	1272,1	1781,8	1642,1	1851,5
Currency in Circulation	676,2	811,4	929,5	1310,5	1290,7	1414,7

Source:

National Bank of Georgia

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# Ministry of Economic Development of Georgia

## Weekly Economic Digest



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### Useful Links:

<b>Ministry of Economic Development of Georgia</b>	<a href="http://www.economy.ge">www.economy.ge</a>
Georgian National Investment Agency	<a href="http://www.investinggeorgia.org">www.investinggeorgia.org</a>
Department of Tourism and Resorts of Georgia	<a href="http://www.dort.gov.ge">www.dort.gov.ge</a>
Department of Privatization of Georgia	<a href="http://www.privatization.ge">www.privatization.ge</a>
Georgian National Agency for Standards, Technical Regulations and Metrology	<a href="http://www.gnims.caucasus.net">www.gnims.caucasus.net</a>
Department of Statistics of Georgia	<a href="http://www.statistics.ge">www.statistics.ge</a>
Georgian State Inspection of Technical Supervision	<a href="http://www.techinspection.ge">www.techinspection.ge</a>
Enterprises Management Agency	<a href="http://www.ema.ge">www.ema.ge</a>
National Bank of Georgia	<a href="http://www.nbg.gov.ge">www.nbg.gov.ge</a>
Parliaments of Georgia	<a href="http://www.parliament.ge">www.parliament.ge</a>
Government of Georgia	<a href="http://www.government.gov.ge">www.government.gov.ge</a>
Ministry of Environment Protection and Natural Resources of Georgia	<a href="http://www.garemo.itdc.ge">www.garemo.itdc.ge</a>
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