



January 18 - January 22, 2010

Main Theme of Week

- **In 3rd quarter of 2009, turnover in construction sector exceeds the data of 2nd quarter by 32.1 percent and is 88.9 percent more than the data of 1st quarter**
- **Georgian Companies have participated in International Agricultural Exhibition, held in Berlin, Germany**
- **According to World Bank estimation, Global GDP is expected to grow 2.7 percent this year**

Economic and Business News

Construction

In III quarter of 2009, turnover in construction sector amounted to 352,2 mln. GEL, which exceeds the data of II quarter by 32.1 percent and is 88.9 percent more than the data of I quarter.

Growth rate by ownership type is as following:

- Non-state enterprises - 21.1 percent (352,4 mln. GEL)
- State enterprises - 14.3 percent (0,8 mln. GEL)

In III quarter of 2009, volume of output in construction sector amounted to 350,1 mln. GEL, which exceeds the data of II quarter by 20.9 percent and the data of I quarter by 8.3 percent. Growth rate by ownership type is as following:

- Non-state enterprises - 21.1 percent

(352,4 mln. GEL)

- State enterprises - 14.3 percent (0,8 mln. GEL)

In III quarter of 2009, number of employed people in construction sector reached 31 391 people, which exceed the data of II quarter of 2009 by 16.0 percent and is 7.9 percent more than the data of I quarter of 2009.

Privatization

16 items were privatized on 3 auctions, held during the January, in Adjara Region.

Total volume of income amounts to 300 324 GEL.

Estate of Joint Stock Company "Gudauri" was sold for 14.5 mln. USD.

"Gudauri" property was acquired by Ukra

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inian "Private Group", which will maintain the company's profile.

Agriculture

International Agricultural Exhibition - "Green Week" was opened in Berlin, Germany in which Georgian companies - "Kin-dzmarauli", "Tibaneli", "Teliani Valley", "Bagrationi", "Elkana have participated.

Georgian companies exhibited products to the local citizens, businessmen and to more than 400 thousand guests from different countries.

The main aim of the "Green Week" is to support modern agriculture, processing industry and to develop gardening sectors. Exhibition gave opportunity to Georgian companies to show their products to the businessmen and thousands of interested guests from different parts of the world.

International Economic Overview

"The global recovery appears to be stronger than previously anticipated. We expect growth in 2010 to exceed our previous projection of 3 percent" - Dominique Strauss-Kahn, Managing Director of IMF. However, that the situation remains fragile and recovery

is proceeding at different speeds in various regions.

In most advanced economies it is likely to be sluggish and still dependent on gover-

ment support. High unemployment, in particular, is a major concern—especially in Europe and the U.S. This is why policy support should be maintained until there are clear signs of a recovery in private demand and employment growth.

Turning to emerging market economies, the outlook is considerably better. The recovery is being led by Asia, due to the resilience of domestic demand, sound economic frameworks, and a swift policy response to the crisis. For the Asia region (excluding Japan), growth is likely to exceed 7 percent this year.

This means that many emerging market economies will be able to exit from crisis support measures sooner than the advanced economies—with monetary tightening generally preceding fiscal tightening.

According to World Bank estimation, Global GDP, which declined by 2.2 percent in 2009, is expected to grow 2.7 percent this year and 3.2 percent in 2011.

Prospects for developing countries are for a relatively robust recovery, growing 5.2 percent this year and 5.8 percent in 2011 - up from 1.2 percent in 2009. GDP in rich countries, which declined by 3.3 percent in 2009, is expected to increase much less quickly—by 1.8 and 2.3 percent in 2010 and 2011.

World trade volumes, which fell by a staggering 14.4 percent in 2009, are projected to expand by 4.3 and 6.2 percent this year and in 2011. Growth in 2011 could be as low as 2.5 percent and as high as 3.4 percent.

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Daily Economic Statistics

Indices

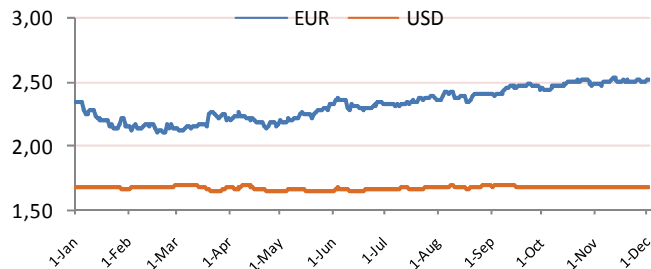
	30.12.09.	31.12.09.	Change
NASDAQ	2 282,10	2 269,15	▼ -0,57%
S&P 500	1122,06	1115,10	▼ -0,62%
Dow Jones	10 509,06	10 428,05	▼ -0,77%
Georgia's Eurobond (yield)	100,57	100,57	0%
Georgia's Eurobond (price)	7,30	7,30	0%

Source:

Yahoo Finance, Corp YAS

Foreign Exchange Rates (GEL)

	USD	EUR
31.12.09.	1,6858	2,4195
30.12.09.	1,6849	2,4291
29.12.09.	1,6851	2,4254
28.12.09.	1,6851	2,4319
25.12.09.	1,6848	2,4246



Source:

National Bank of Georgia

World Prices (USD)

	25.12.09.	28.12.09.	29.12.09.	30.12.09.	31.12.09.
BRENT (DTD) (1 Barrel)	78,05	78,71	78,88	79,08	80,11
Gold (1 Uncia)	1104,	1104,50	1103	1092,50	1104,00
Silver (1 Uncia)	17,32	17,32	17,42	17,42	16,99
Cooper (1 KG)	7,070	7,070	7,271	7,271	7,346

Source:

MetalPrices.com, LBMA.org.uk, K2kapital.com

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%

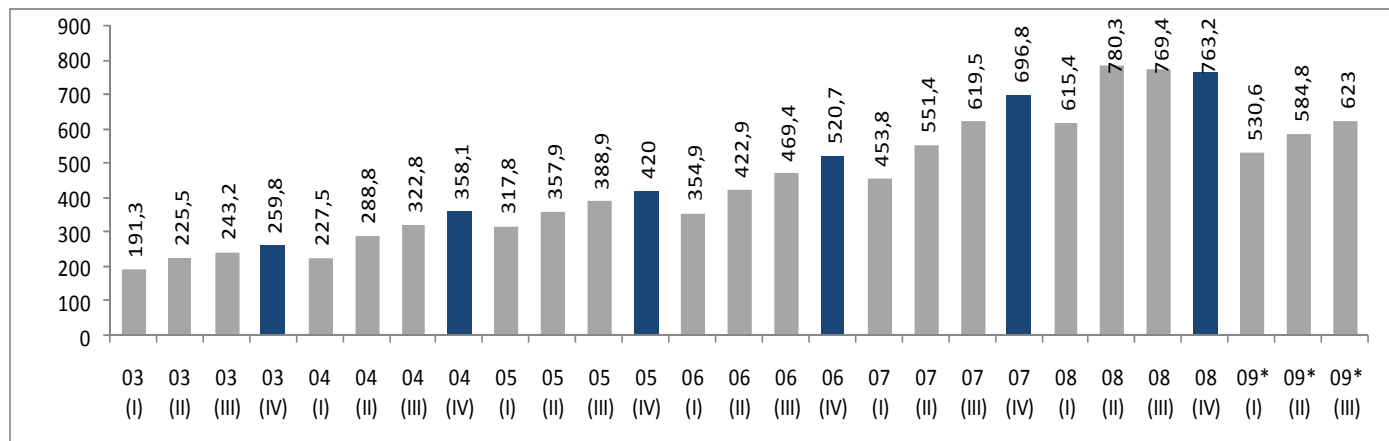
	2004	2005	2006	2007	2008
Nominal GDP (mln. USD)	5 124,7	6 411,0	7 761,7	10 171,9	12 800,5
Real growth of GDP	5,9%	9,6%	9,4%	12,3%	2,3%
GDP per capita (USD)	1 187,6	1 483,5	1 763,5	2 314,6	2 921,1

Source:

Department of Statistics of Ministry of Economic Development of Georgia



GDP per capita (USD)

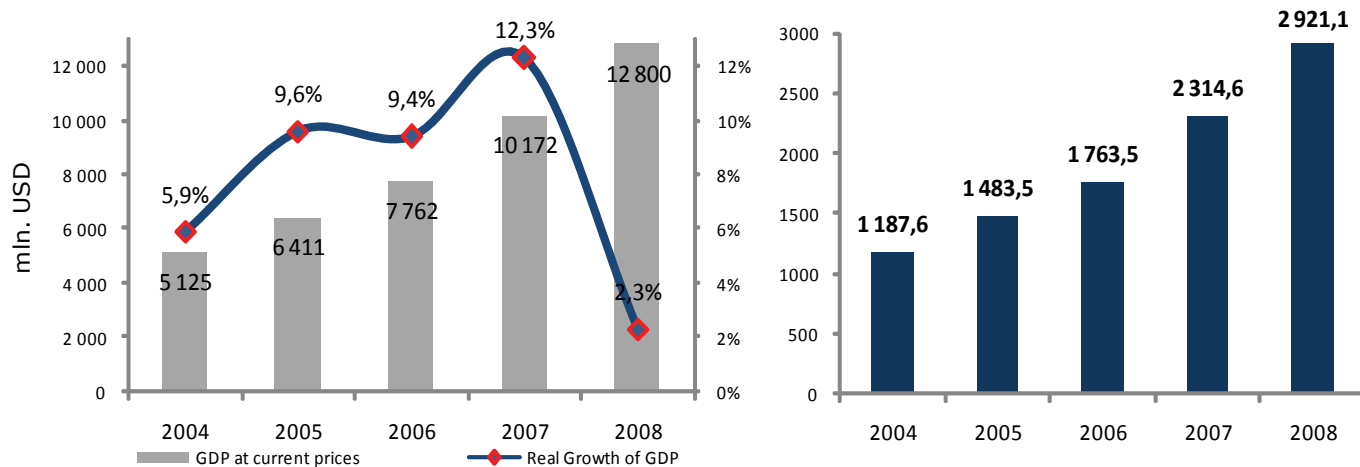


Source:

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GDP at current prices and real growth

GDP per capita (Annual, USD)



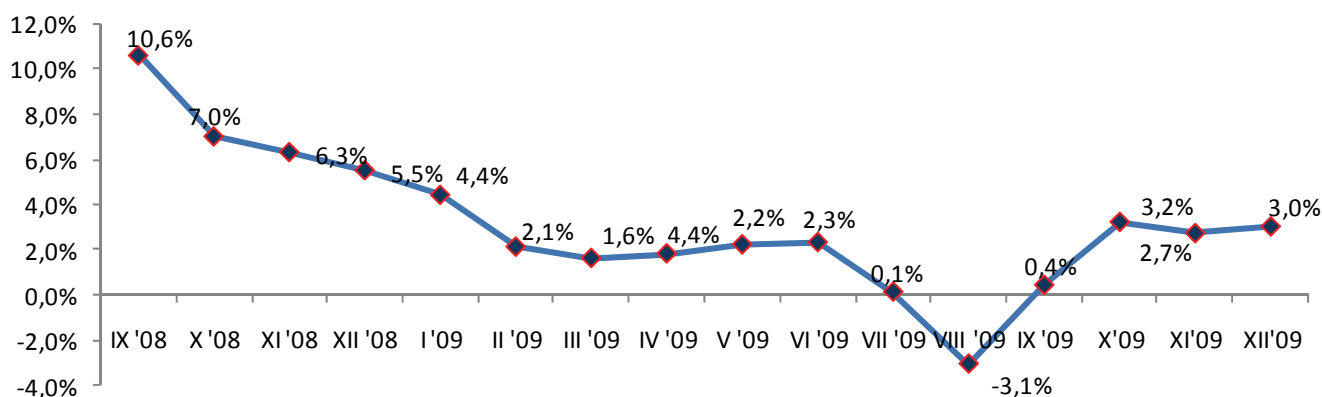
Source:

Department of Statistics of Ministry of Economic Development of Georgia

Remark:

Adjusted evaluations will be published by end of November of 2010

Inflation



Source:

Department of Statistics of Ministry of Economic Development of Georgia

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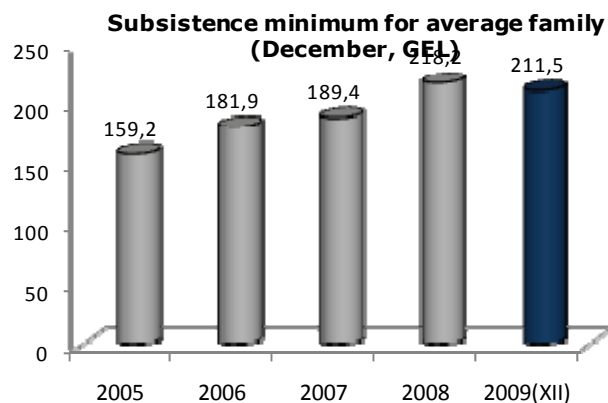
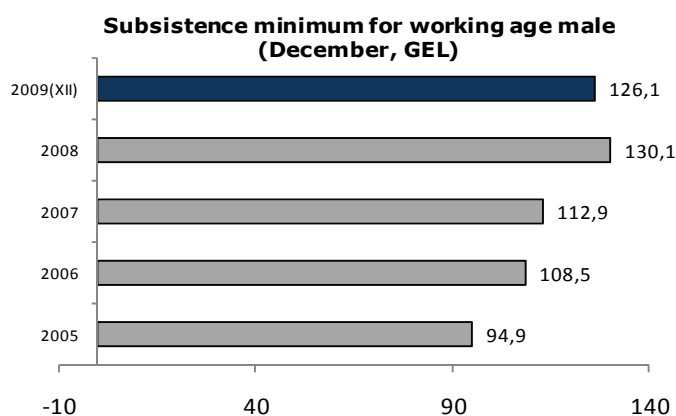
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Social Statistics

	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



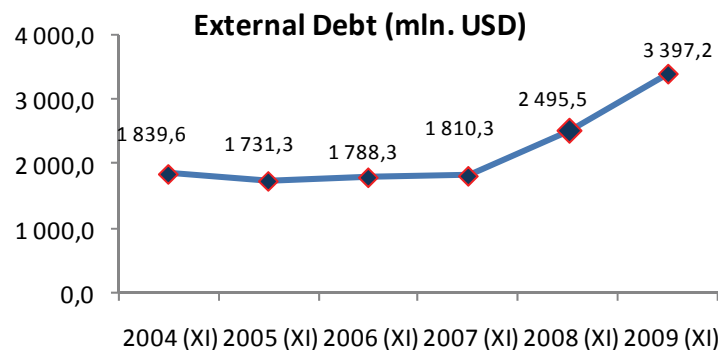
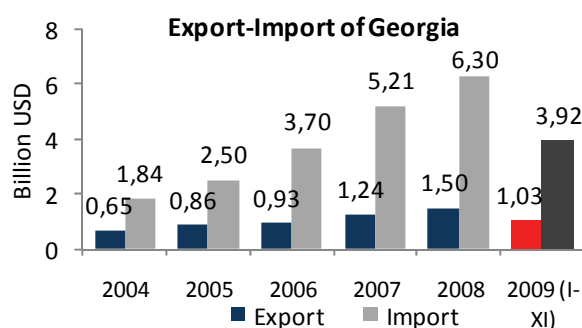
Subsistence minimum	2005	2006	2007	2008	2009*
Working age male	94,9	108,5	112,6	130,1	124,7
Average consumer	84,1	96,1	100,0	115,2	110,5
Average family	159,2	181,9	189,4	218,2	209,2

(*December, GEL)

Source:

Department of Statistics of Ministry of Economic Development of Georgia

External Economic Statistics



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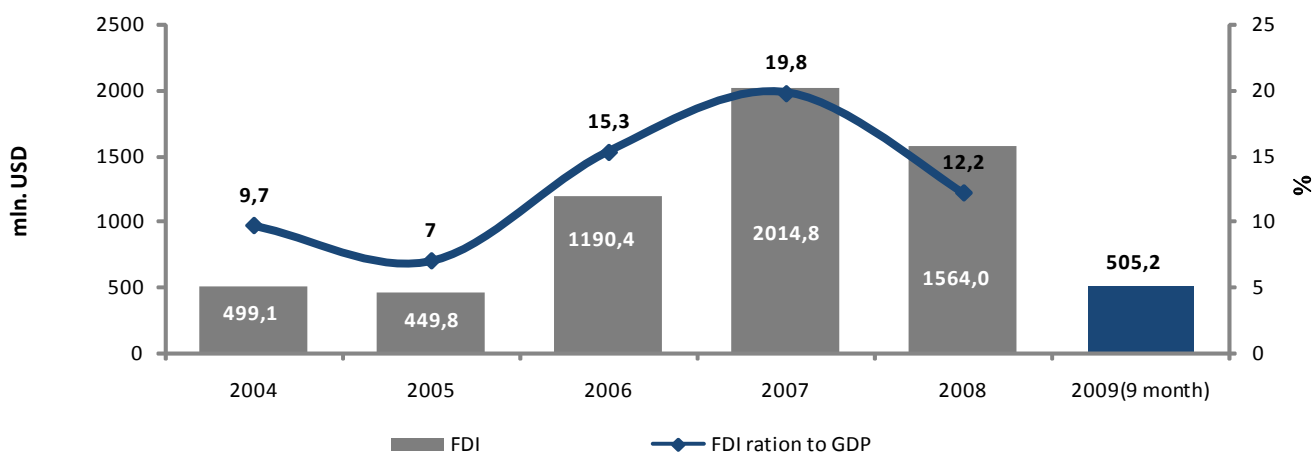
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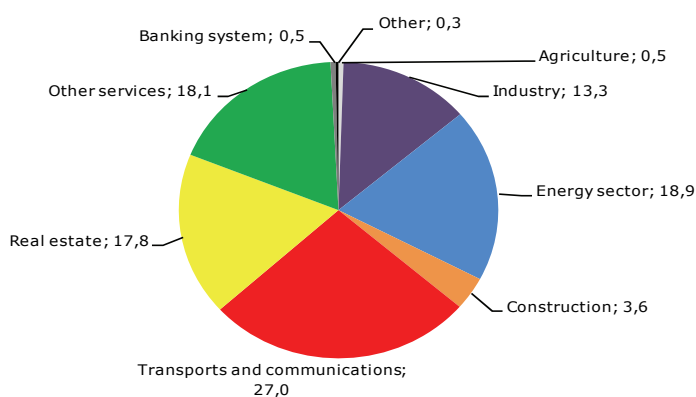
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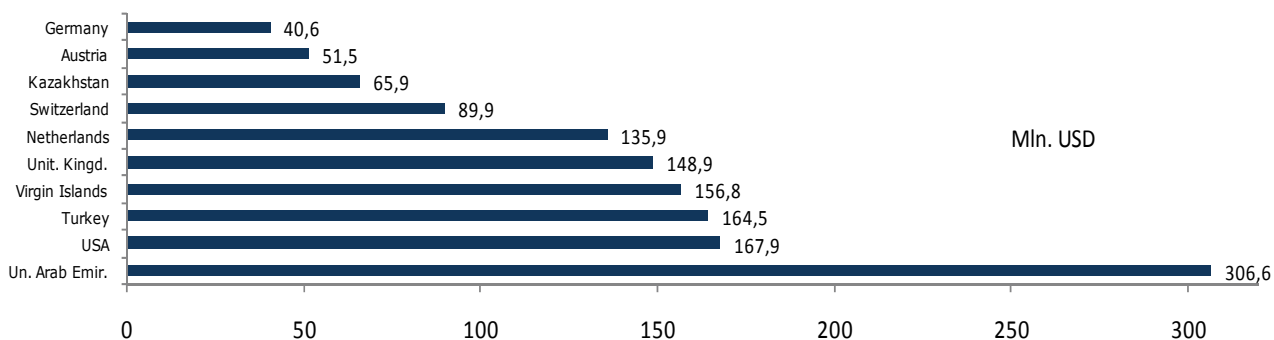
Foreign Direct Investment



FDI by Economic Sectors (2008, %)



Top 10 Investor countries 2008



- Foreign Direct Investments In Georgia in January-September of 2009 amounted to 505,2 mln.USD

	2005	2006	2007	2008	2009*
Registered Export (FOB)	865,5	936,2	1232,4	1496,0	1028
Registered Import (CIF)	2490	3677,7	5214,9	6304,6	3918,5
Turnover	3355,4	4613,9	6447,3	7800,6	4946,5
FDI in Georgia	449,8	1190,4	2014,8	1564,0	505,2**
Foreign dept of Georgia	1,735	1,698	1,790	2,691	3,397

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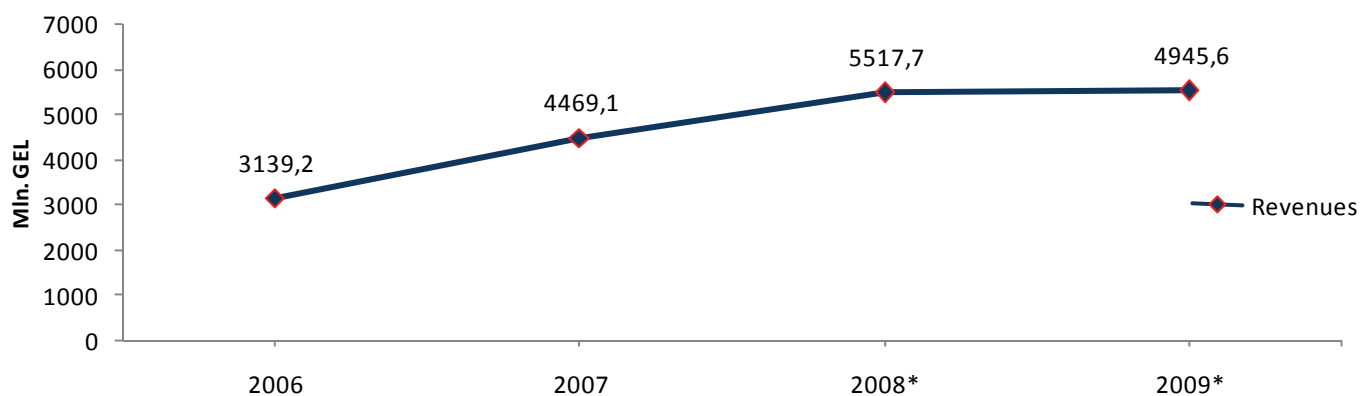
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State Budget Revenues



	2006	2007	2008	2009
Revenues	3139,2	4469,1	5517,7	4945,6
Taxes	2130,3	3010,5	4541,6	4139,2
Social contributions	502,8	722,0		
Grants	167,6	208,7	617,2	463,1
Other revenues	338,5	527,8	359,0	343,3

(mln.GEL)

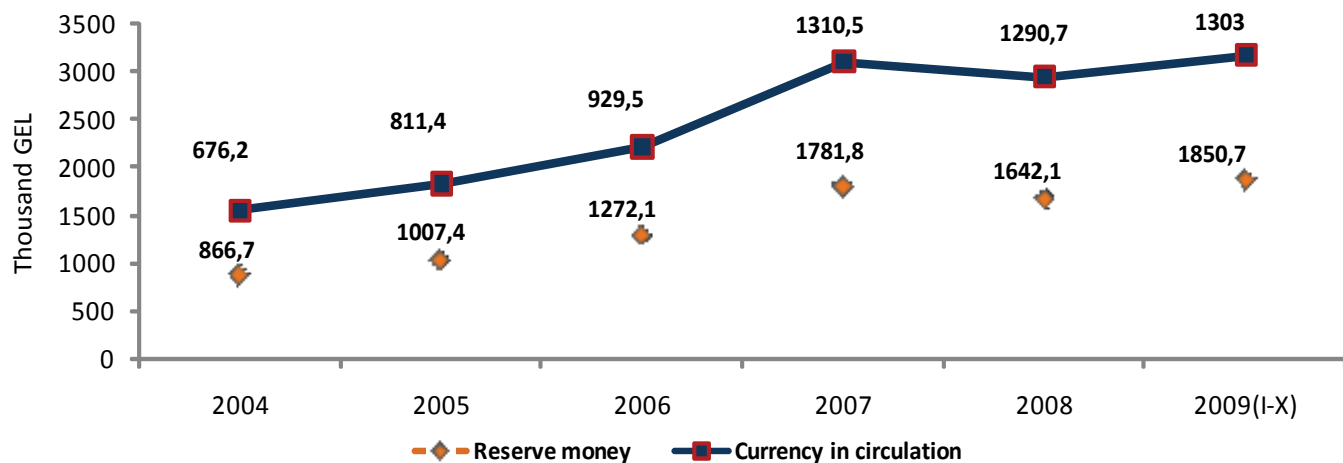
Remark:

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	1850,7
Currency in Circulation	676,2	811,4	929,5	1310,5	1290,7	1303

Source:

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Useful Links:

Ministry of Economic Development of Georgia	www.economy.ge
Georgian National Investment Agency	www.investingeorgia.org
Department of Tourism and Resorts of Georgia	www.dort.gov.ge
Department of Privatization of Georgia	www.privatization.ge
Regulations and Metrology	www.gnims.caucasus.net
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Ministry of Agriculture of Georgia	www.maf.ge
Ministry of Finance of Georgia	www.mof.ge
Georgia's profile	www.georgia.gov.ge

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