



# Weekly Economic Digest

January 11 - January 15, 2010

## Main Theme of Week

- In 3<sup>rd</sup> quarter of 2009, average monthly salaries of hired employees in Georgia exceeds the figures of 2<sup>nd</sup> quarter by 1.5 percent
- Figures of realized production of several wine companies have been increased during New Year's days
- French Airline Company - "Saf Helicopter" entered the Georgian market

## Economic and Business News

### Wages' Statistics

In 3<sup>rd</sup> quarter of 2009, average monthly salaries of hired employees in Georgia amounted to 568.7 GEL, which exceeds the figures of 2<sup>nd</sup> quarter by 1.5 percent.

Growth of nominal monthly salaries was reached in following sectors, as compared to 2<sup>nd</sup> quarter of 2009 and 1<sup>st</sup> quarter of 2008:

- Mining and Quarrying – by 4.8 percent (compared to 2<sup>nd</sup> quarter of 2009) and by 10.1 percent (compared to 1st quarter of 2009);
- Health Care and Social Security - by 2.8 percent (compared to 2<sup>nd</sup> quarter of 2009) and by 18.5 percent (compared to 1st quarter of 2009);
- Construction – by 5.7 percent (compared to 2<sup>nd</sup> quarter of 2009) and by 18.5 percent (compared to

1st quarter of 2009);

- Trade - by 2.8 percent (compared to 2<sup>nd</sup> quarter of 2009) and by 18.5 percent (compared to 1st quarter of 2009).

### Georgian Wine

**Realized production of several wine companies have been increased during New Year's days.**

According to the information the management of wine company "Tbilgvino", in December 2009 number of sold bottles was increased by 80 percent as compared to November 2009.

The company offered different promotions during December. Wine Company "Tbilgvino" has been operating on Georgian market since 1999 year.

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## Aviation

### French Airline Company - "Saf Helicopter" entered in the Georgian market.

The company will provide its service with AS350 model helicopter for tourists in Gudauri.

## Agriculture

### According to the data of the Ministry of Agriculture of Georgia, more than 85 000 tones of citrus is realized in Adjara Region, which is outstanding figures during last ten years.

More than 85 thousand tones of tangerine have already been exported to new markets. Georgian tangerine is sold under Georgian label on the markets of Czech Republic, Slovenia, Ukraine and Arabian countries.

Citrus price has been grown up to 0.5 GEL this year, which was the reason of European standards packing. Packing process has greatly been improved in those markets (Ukraine, Azerbaijan, Armenia), where Georgian tangerine had a place.

## International Economic Overview

### IFC, the European Bank for Reconstruction and Development and CRG Capital, a leading restructuring fund manager have launched the first fund dedicated to investing in distressed assets in Central and Eastern Europe.

The CEE Special Situations Fund will invest in underperforming companies to support recovery in the region. It is being established by CRG Capital. The fund aims to raise €200 million, with EBRD, IFC, and CRG Capital initially committing a total of €36 million. It will focus on the acquisition, turnaround, and resolution of corporate distressed assets in Central and Eastern Europe. It will focus on the acquisition, turnaround, and resolution of corporate distressed assets in Central and Eastern Europe.

The fund forms part of the Debt and Asset Recovery Program launched by IFC during the 2009 World Bank Group's Annual Meetings in October.

### The accession agreement to IFC's Master Cooperation Agreement will standardize the steps that Development Bank of Japan will take when joining IFC and other international financial institutions in co-financing projects related to environmental preservation or infrastructure development.

Development Bank of Japan is the first Asian financial institution to participate in the arrangement. IFC signed the Master Cooperation Agreement with three European financial institutions in October 2009.

The agreement helps participating institutions process deals more efficiently by enabling them to cooperate and use IFC's existing syndication platform, deal structuring expertise, and global presence to identify investments, perform due diligence, and negotiate loan documents.

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## Daily Economic Statistics

### Indices

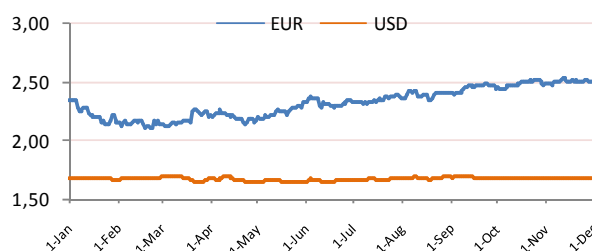
	30.12.09.	31.12.09.	Change
NASDAQ	2 282,10	2 269,15	▼ -0,57%
S&P 500	1122,06	1115,10	▼ -0,62%
Dow Jones	10 509,06	10 428,05	▼ -0,77%
Georgia's Eurobond (yield)	100,57	100,57	0%
Georgia's Eurobond (price)	7,30	7,30	0%

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%

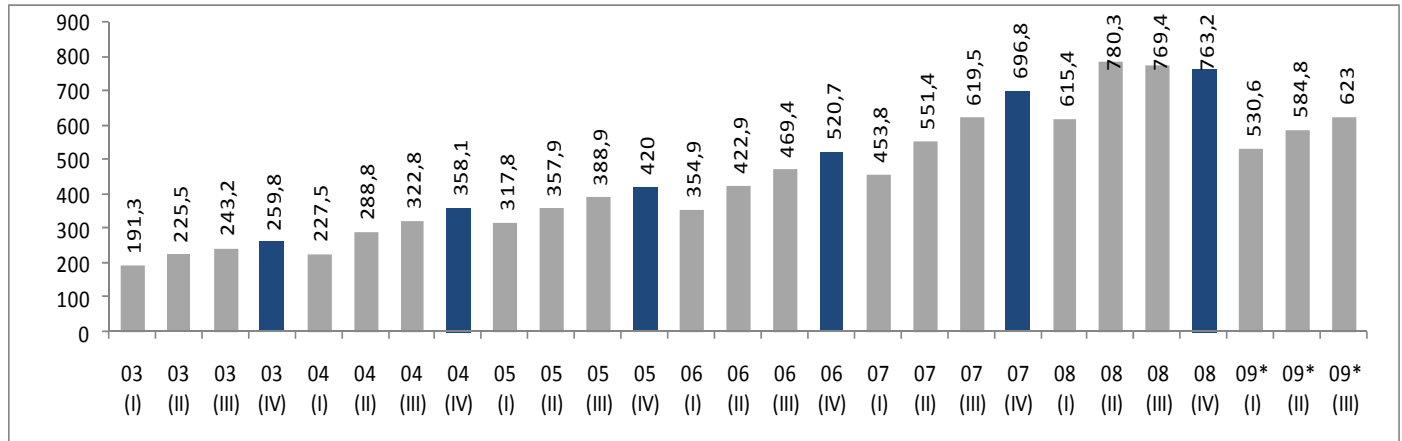
	2004	2005	2006	2007	2008
Nominal GDP (mln. USD)	5 124,7	6 411,0	7 761,7	10 171,9	12 800,5
Real growth of GDP	5,9%	9,6%	9,4%	12,3%	2,3%
GDP per capita (USD)	1 187,6	1 483,5	1 763,5	2 314,6	2 921,1

Source:

Department of Statistics of Ministry of Economic Development of Georgia



## GDP per capita (USD)

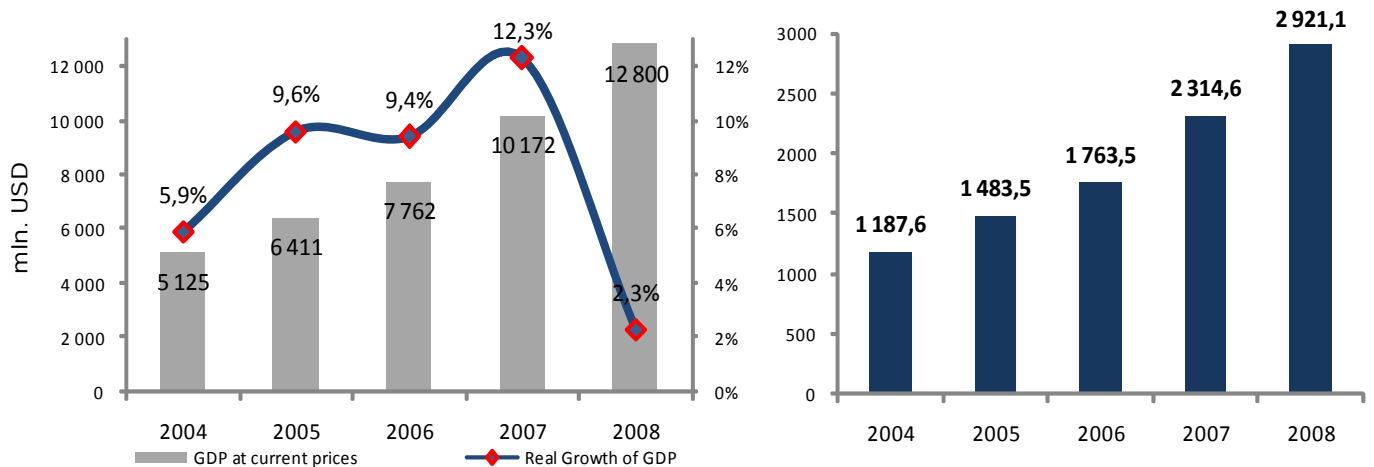


Source:

Department of Statistics of Ministry of Economic Development of Georgia

## GDP at current prices and real growth

## GDP per capita (Annual, USD)



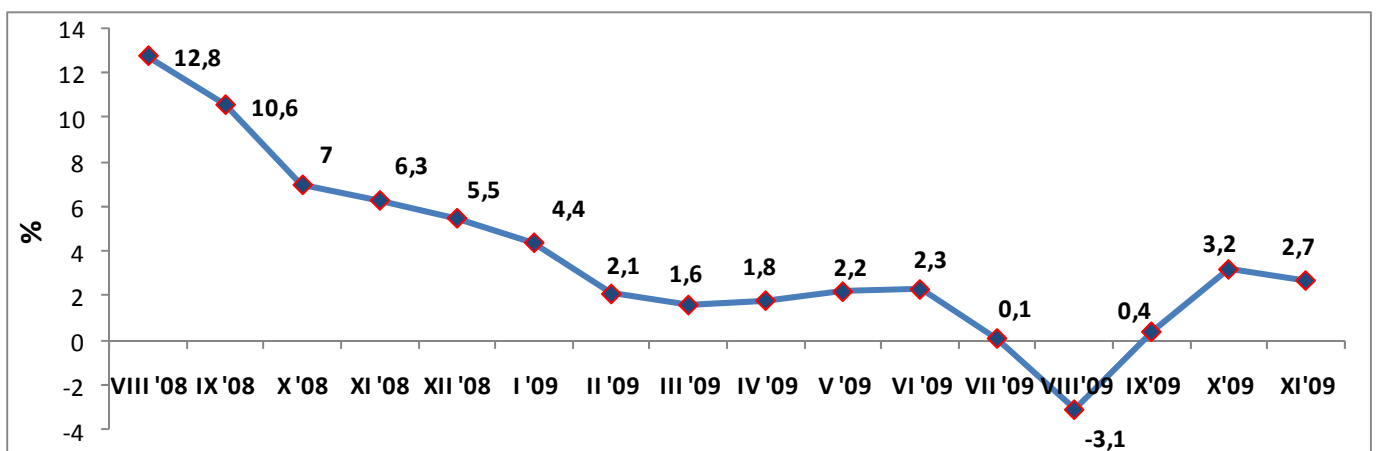
Source:

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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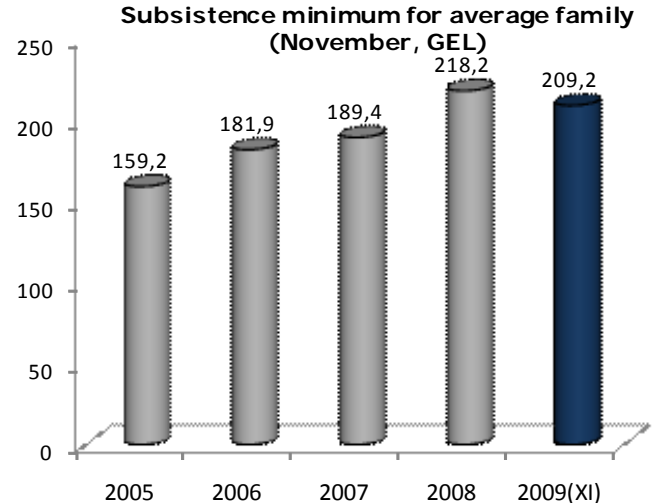
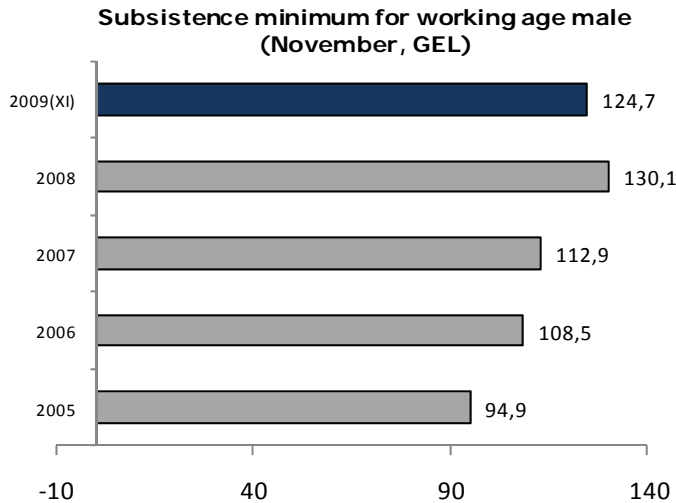
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## Social Statistics

	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



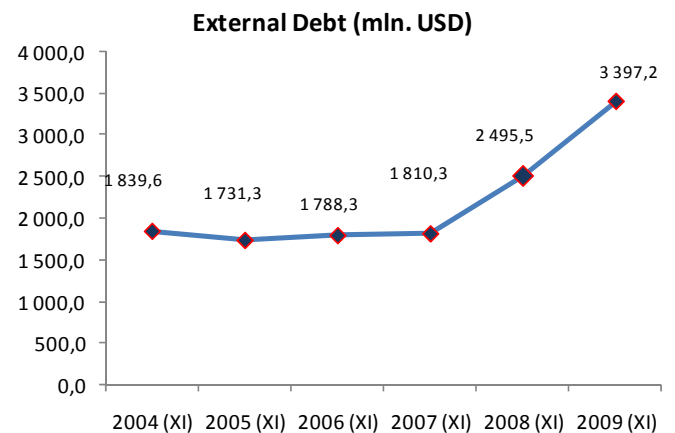
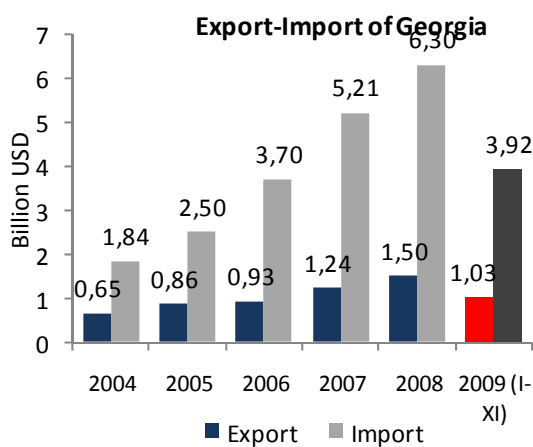
Subsistence minimum	2005	2006	2007	2008	2009*
Working age male	94,9	108,5	112,6	130,1	124,7
Average consumer	84,1	96,1	100,0	115,2	110,5
Average family	159,2	181,9	189,4	218,2	209,2

(\*November, GEL)

Source:

Department of Statistics of Ministry of Economic Development of Georgia

## External Economic Statistics



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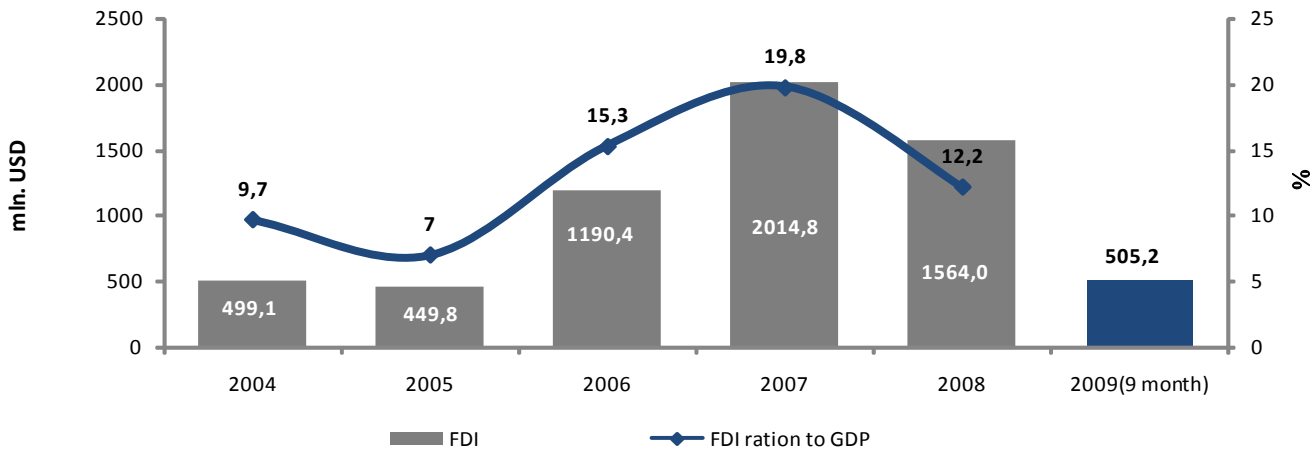
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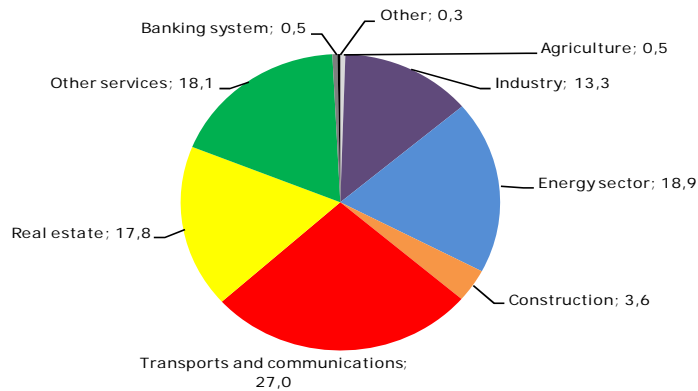
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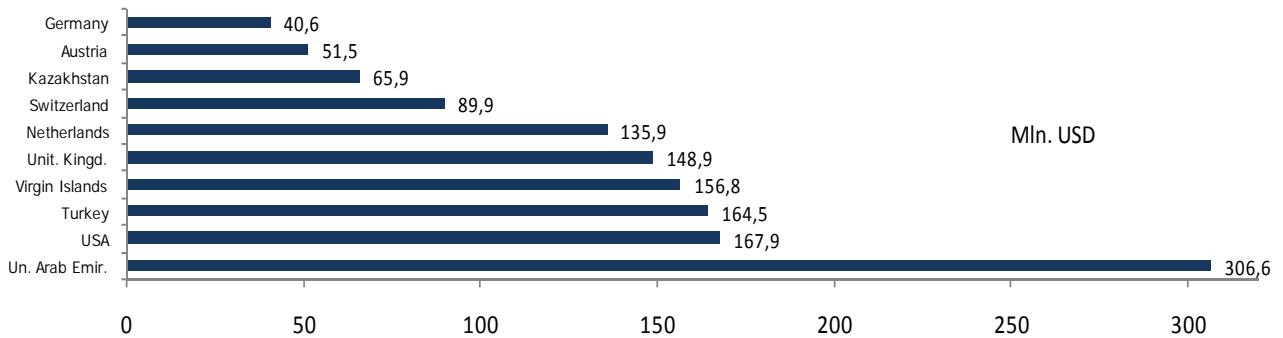
## Foreign Direct Investment



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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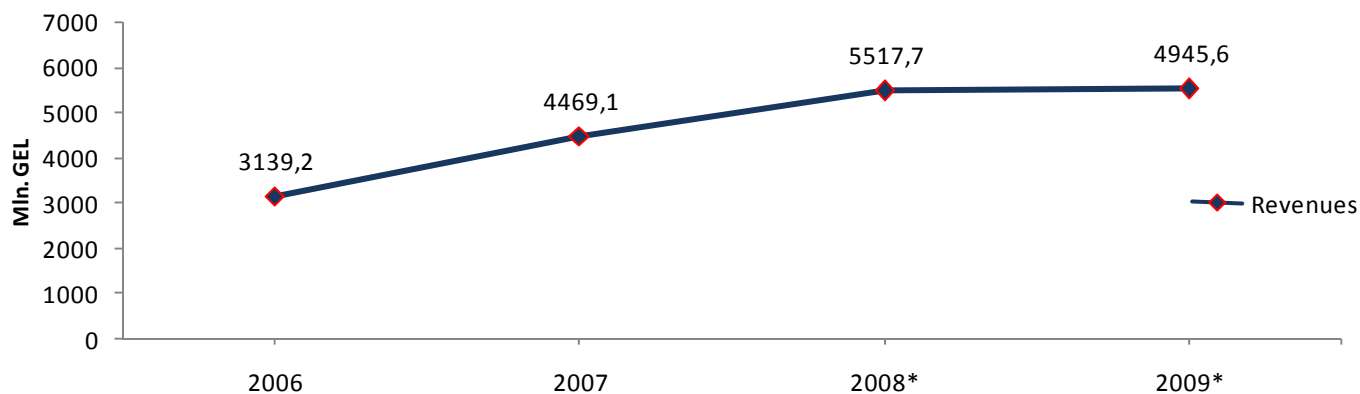
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## State Budget Revenues



	2006	2007	2008	2009
<b>Revenues</b>	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

(mIn.GEL)

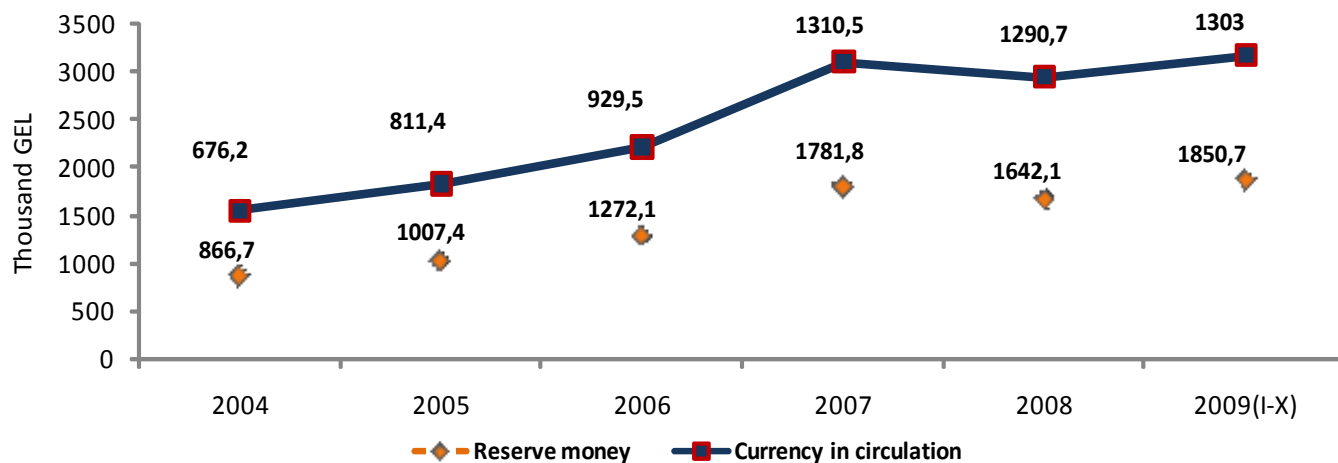
Remark:

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:

National Bank of Georgia

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## Useful Links:

Ministry of Economic Development of Georgia	<a href="http://www.economy.ge">www.economy.ge</a>
Georgian National Investment Agency	<a href="http://www.investingeorgia.org">www.investingeorgia.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>
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>
Resources of Georgia	<a href="http://www.garemo.itdc.ge">www.garemo.itdc.ge</a>
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