



May 17 - May 21, 2010

Main Theme of Week

- On 17-19 of May, Business forum for the Georgian businessmen living and working abroad was held in Tbilisi
- Georgia subscribed to the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS)
- The cold storage had been opened in the Kachreti (Kakheti Region) Vocational Education and Re-training Centre

Economic and Business News

Business Forum

On 17-19 of May, Business forum for the Georgian businessmen living and working abroad was held in Tbilisi. "Return to Georgia" represents the joint project of the Ministry of Economic Development of Georgia and the State Office of the Minister of Diaspora in which the businessmen working in Turkey, Cyprus, USA, Canada, Russia, Tajikistan, Czech Republic, Slovakia, Israel, Belgium, Spain and Ukraine have participated.

Businessmen, attending to Forum, work abroad in the sectors of tourism, health care and etc. The Minister of Economic Development of Georgia presented an economic outlook of Georgia and business and investments climate of the country to them.

"Return to Georgia" is a large-scale project, which intends to give the opportunity to the Georgian businessmen living abroad to bring their capital back and to participate in country's economic development. The first stage of the project implies the acquaintance of the about 30 Georgian businessmen with the business climate of a country.

In the framework of Forum, Georgian businessmen visited several regions of Georgia. They have participated in wine degustation in Kakheti Region, Opening ceremonies of "Sheraton" hotel in Batumi and construction exhibition in Tbilisi.

Transport Sector

According to the information of "Georgian Railway", Georgian-Chinese consortium was named as the winner company in the announced tender on the construction of Railway Bypass route. JSC "Khidmsheni" represents the Georgian-Chinese consortium in Georgia.

Memorandum of understanding was signed by the "Georgian Railway" LLC and JSC "Khidmsheni", based on which Georgian workers will mainly be employed on the railway construction.

The goal of "Tbilisi Railway Bypass Project" is bypassing of central part of city by means of the new railway route. The project is considering urban development of the city.

National Statistics

Due to the joint decision of the National Statistics Office of Georgia, the National bank of Georgia and the Ministry of Finance of Georgia, On May 17 of 2010, Georgia subscribed to the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS), which is a major step forward for development of statistical potential of the country.

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The aim of the Special Data Dissemination Standard is to enhance international transparency of economic and financial data which will ensure realization of balanced macroeconomic policy and trust and interest of potential foreign economic partners and investors for the given country. The Special Data Dissemination Standard facilitates members in participation on capital markets.

Subscription to SDDS reduces the cost of the capital from international capital markets by about 20 percent both for public and private sectors of the country.

Energy Sector

„Socar Georgia Gas“ has completed gas network construction in Ozurgeti (Guria Region).

According to the information of the Ministry of Energy, after the completion of above mentioned works accession to the gas network will be available for 693 potential subscribers, and 1360 subscribers will be supplied by natural gas by the end of the year.

In Guria region, 2 125 potential accessions and throw the country 57 900 will be available to access to the gas network after the construction is done. In different regions of Georgia gasification will be available for 150 000 subscribers in the frame of 3 year investment program.

New Service Centre

For simplified and comfortable service for taxpayers, the new Service Centre has opened in Guria region.

Construction process of the modern Service Centre has finished in 5 months. More than 50 persons were involved in construction works, local citizens among them.

Currently, 35 qualified persons are working at the Service centre and will serve registered taxpayers of Chokhatauri, Lanchkhuti and Ozurgeti regions. At a new service centre there is also located Treasury Service, which gives additional opportunity to taxpayers to implement various kind of operations. Reconstruction of the building has been financed from state budget by 228 thousand GEL.

Agriculture

The cold storage had been opened in the Kachreti (Kakheti Region) Vocational Education and Retraining Centre by the United Nations Development Programme (UNDP) with funding from Swiss Agency for Development and Cooperation (SDC). At a cost of US\$ 19 thousand, it is part of UNDP's larger initiative to promote vocational education and training in Georgia.

A newly opened cold storage in Kachreti provides small farmers with effective technology for storing perishable fruits and vegetables before sale. The facility can store up to 18 tons of fruit and up to 20 tons of vegetables a day with the storage cycle from 5 to 10 days, which is enough for serving around 160 small farmer families.

In Kachreti, UNDP combines vocational education programmes with the assistance to local agriculture development. Last year, with funds from the Romanian government, UNDP set up a small-scale processing plant which helps local farmers to process fruit and vegetables and to get their product ready for sale in attractive packing.

Since 2006, in cooperation with the Ministry of Education and Science, UNDP has arranged professional education programmes in more than 30 professions in the centres in Akhaltsikhe, Telavi, Ambrolauri, Batumi and Gori.

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Daily Economic Statistics

Indexes

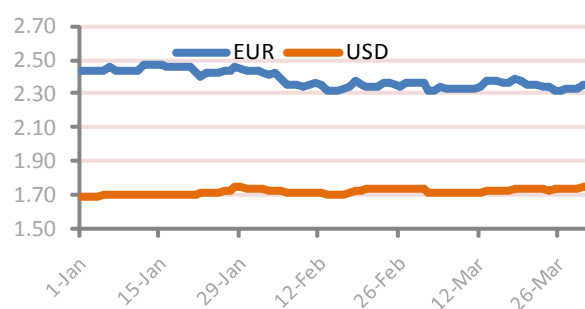
	20.05.10.	21.05.10.	Change
NASDAQ	2,298.37	2,204.01	▼ -4.11%
S&P 500	1115.05	1071.59	▼ -3.9%
Dow Jones	10,444.37	10,068.01	▼ -3.6%
Georgia's Eurobond (price)	104.4	103.5	▼ -0.86%
Georgia's Eurobond (yield)	6.123	6.122	▼ -0.02%

Source:

Yahoo Finance, Galt & Taggart Securities

Foreign Exchange Rates (GEL)

	USD	EUR
21.05.10	1,7827	2,1984
20.05.10	1,7826	2,1712
19.05.10	1,7811	2,2129
18.05.10	1,7811	2,1941
17.05.10	1,7810	2,2198



Source:

National Bank of Georgia

World Prices (USD)

	17/05/10	18/05/10	19/05/10	20/05/10	21/05/10
BRENT (DTD) (1 Barrel)	71,33	72,24	68,35	67,84	69,08
Gold (1 Uncia)	1230,25	1215,00	1209,50	1187,25	1183,50
Silver (1 Uncia)	19,11	18,82	18,53	17,93	17,72
Cooper (1 KG)	6,956	6,721	6,606	6,466	6,500

Source:

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

Main Macroeconomic Indicators

- In 2009, nominal GDP of Georgia amounted 17 948,6 mln. USD, while in 2004 it amounted 5 125 mln. USD

	2004	2005	2006	2007	2008	2009*
Nominal GDP (mln. GEL)	9824.3	11620.9	13789.9	16993.8	19074,9	17948,6
Real growth of GDP	5,9%	9,6%	9,4%	12,3%	2,3%	-3,9%
GDP per capita (GEL)	2276.7	2689.1	3133.1	3866.9	4352,9	4092,8

*Adjusted evaluations will be published by end of November of 2010

Source:

National Statistics Office of Georgia

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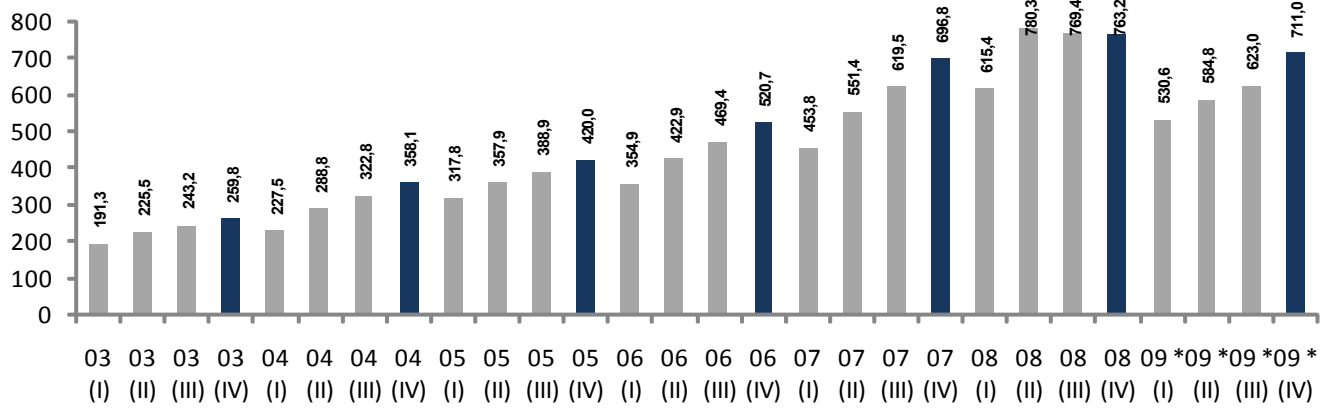
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GDP per capita (USD)

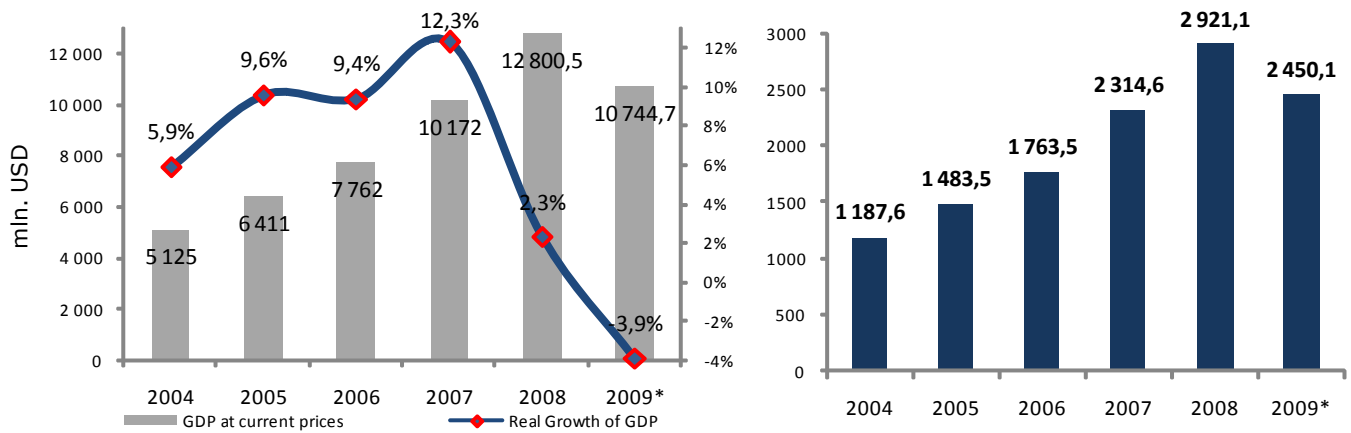


Source:

National Statistics Office of Georgia

GDP at current prices and real growth

GDP per capita (Annual, USD)



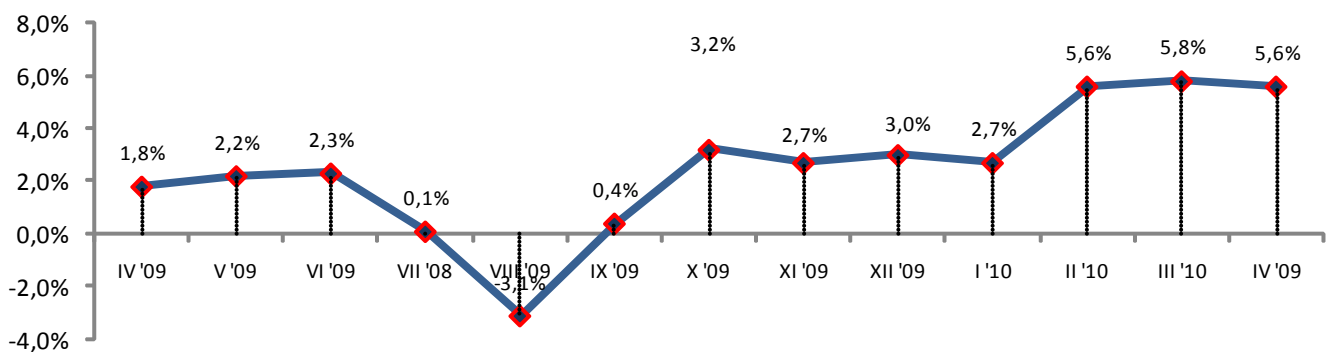
Source:

National Statistics Office of Georgia

Remark:

*Adjusted evaluations will be published by end of November of 2010

Inflation



Source:

National Statistics Office of Georgia

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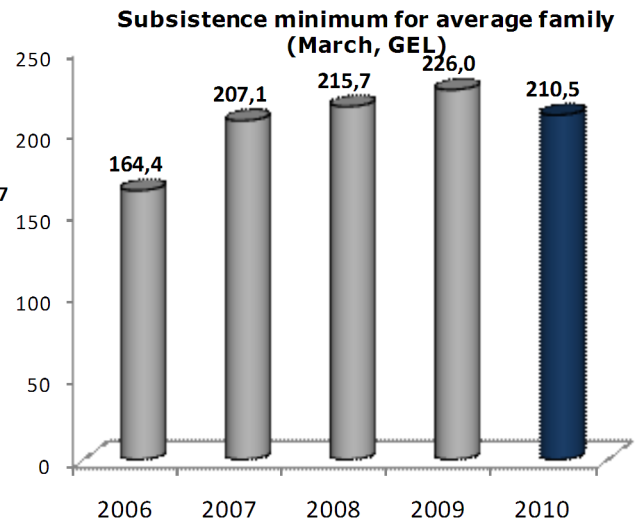
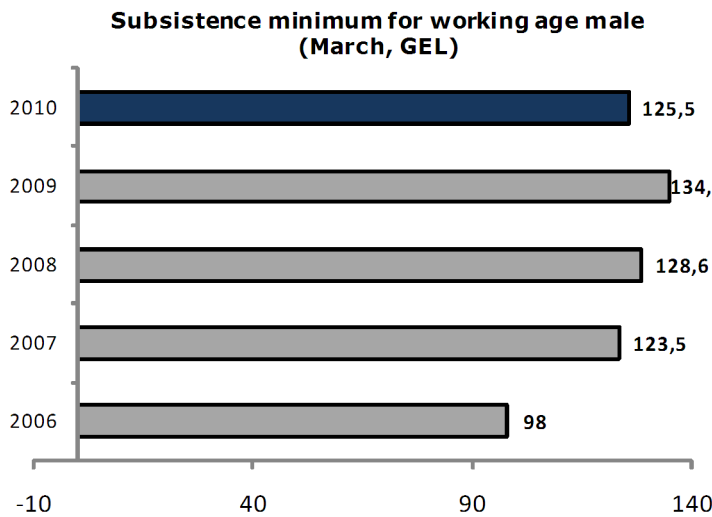
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	2005	2006	2007	2008
Active population (labour force, thousand person)	2023,9	2021,8	1965,3	1917,8
Employed	1744,6	1747,3	1704,3	1601,9
Salaried employees	600,5	603,9	625,4	572,4
Self-employed	1143,3	1141,6	1078,8	1028,5
Not classified	0,8	1,8	0,1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



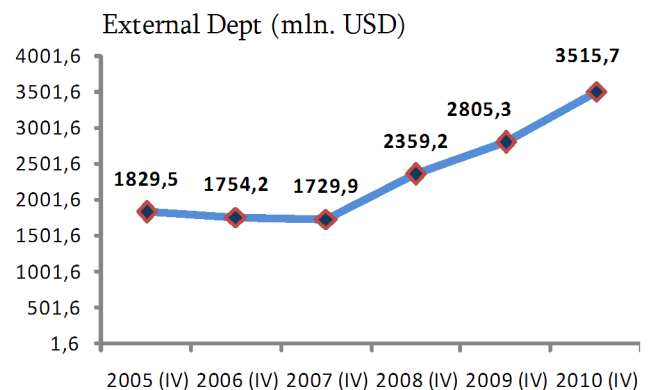
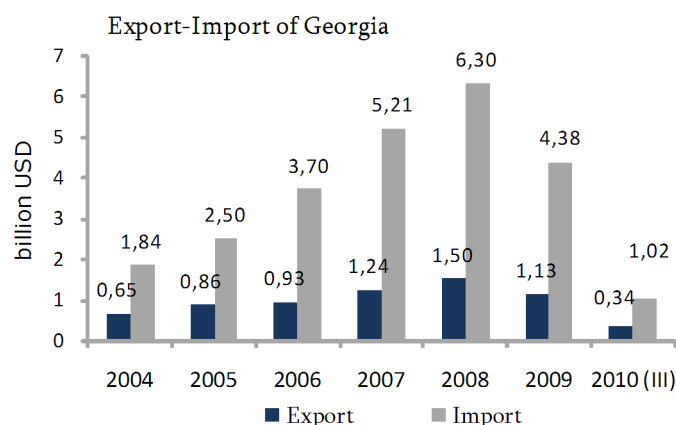
	2006	2007	2008	2009	2010*
Working age male	106,5	118,6	127,9	128,8	125,5
Average consumer	94,4	105,0	113,3	114,1	111,1
Average family	178,7	198,9	214,6	216,0	210,5

(* March, GEL)

Source:

National Statistics Office of Georgia

External Economic Statistics



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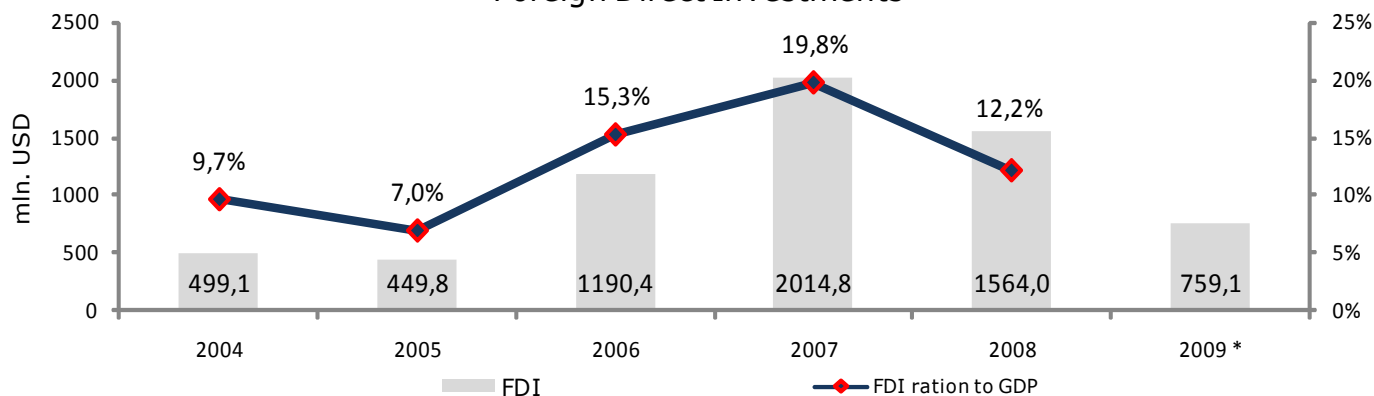
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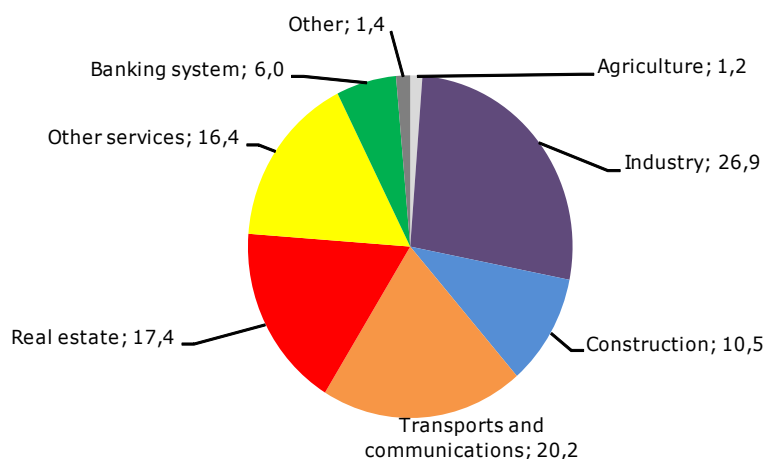
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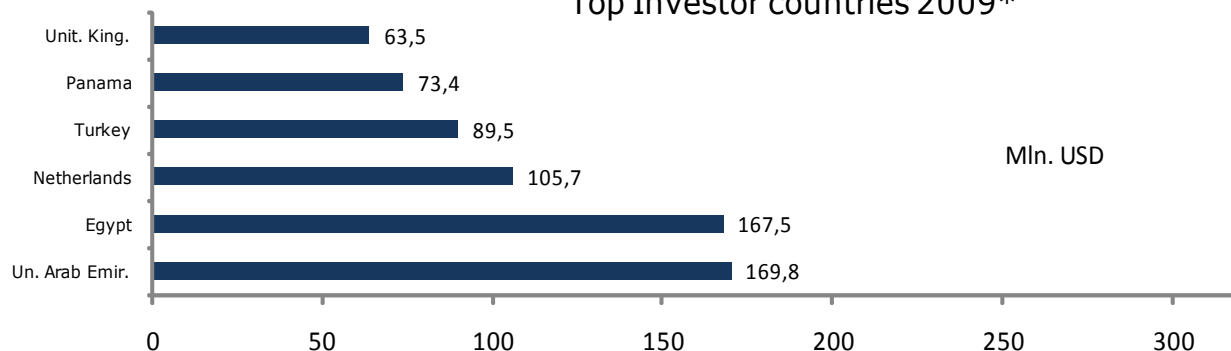
Foreign Direct Investments



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 (II)
Registered Export (FOB)	936,2	1232,4	1496,1	1135,0	216,4
Registered Import (CIF)	3677,7	5214,9	6304,6	4378,3	598,9
Turnover	4613,9	6447,3	7800,6	5513,3	815,3
FDI in Georgia	1190,4	2014,8	1564,0	759,1*	
Foreign dept of Georgia	1697,5	1790,0	2691,4	3381,5	3394,6

(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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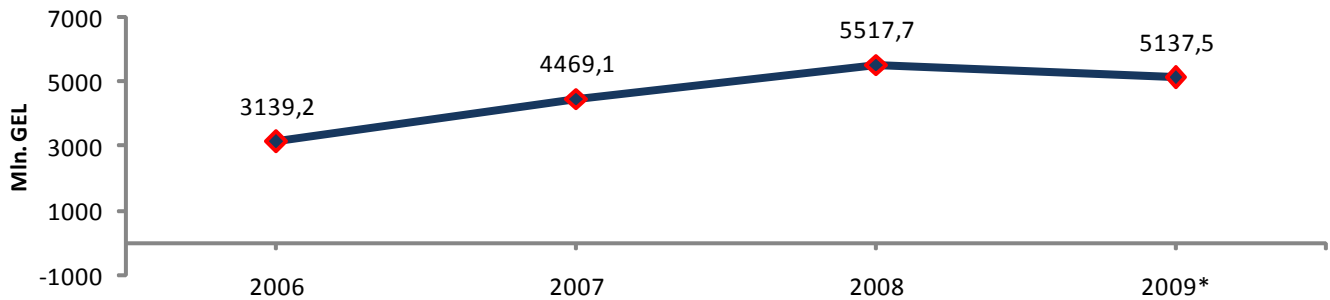
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State Budget Revenues



	2006	2007	2008	2009
Revenues	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)

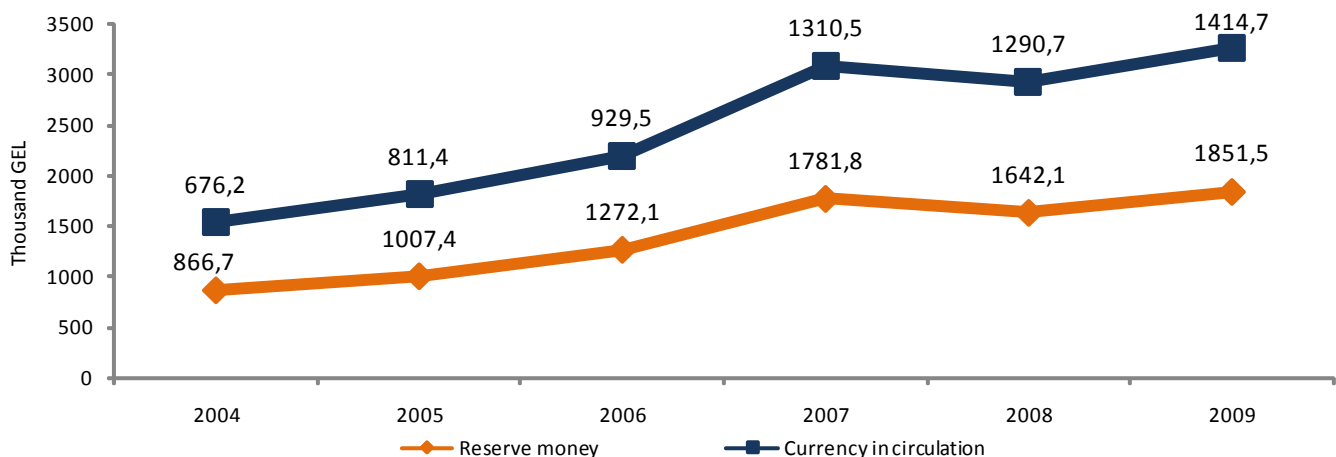
Remark:

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:

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
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