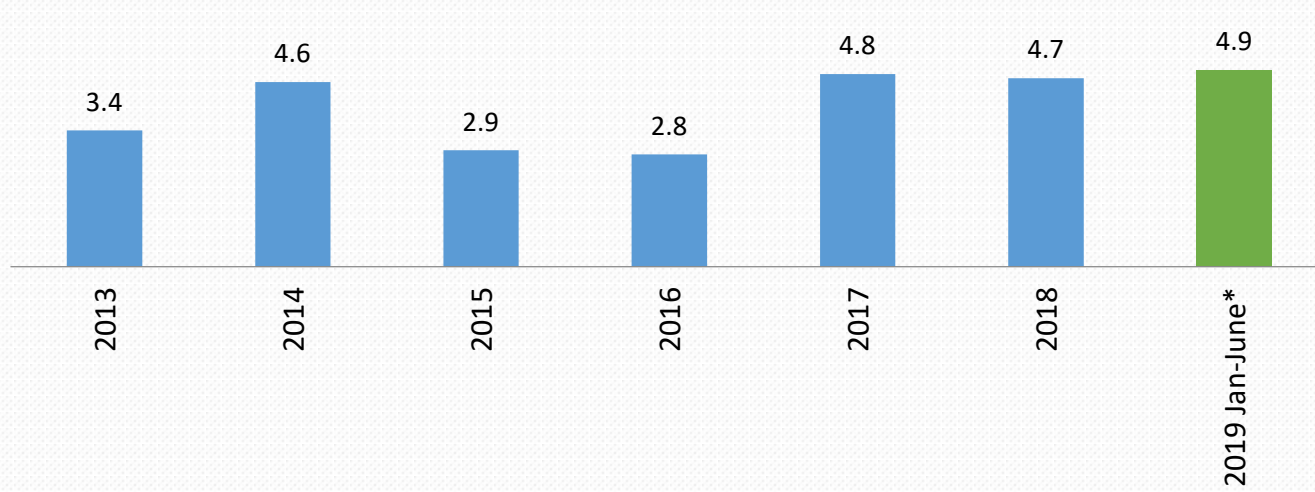




Ministry of Economy and Sustainable Development of Georgia

Economic Growth

Strong Growth Performance (%)



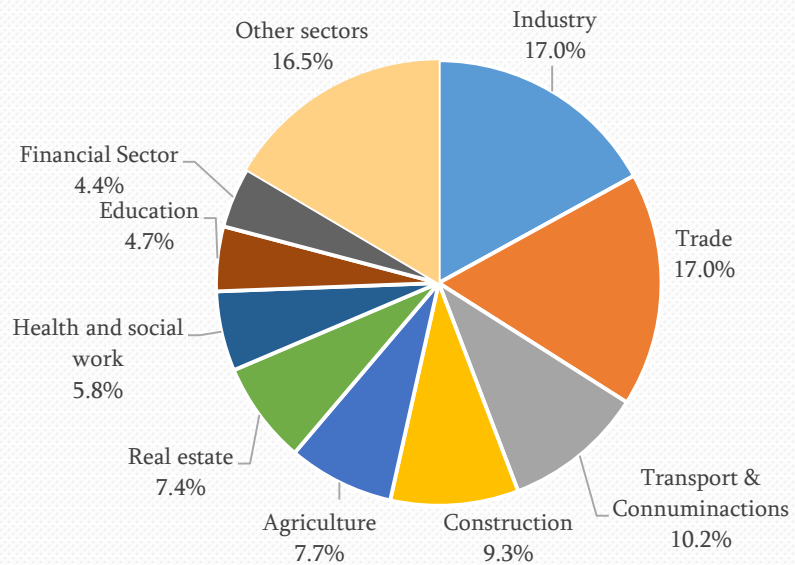
4.7%

Economic growth in 2018

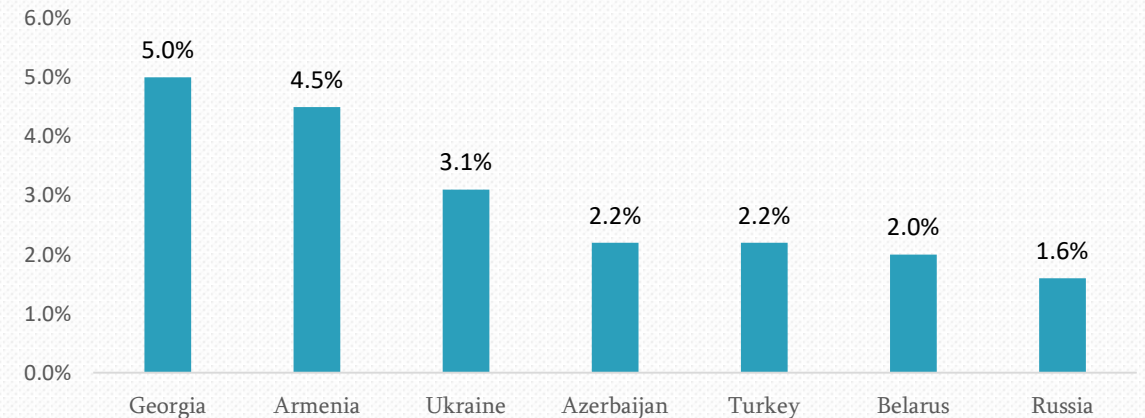
5.0%

Average real GDP growth projection in 2019-2024, according to IMF

GDP BY SECTORS - 2018

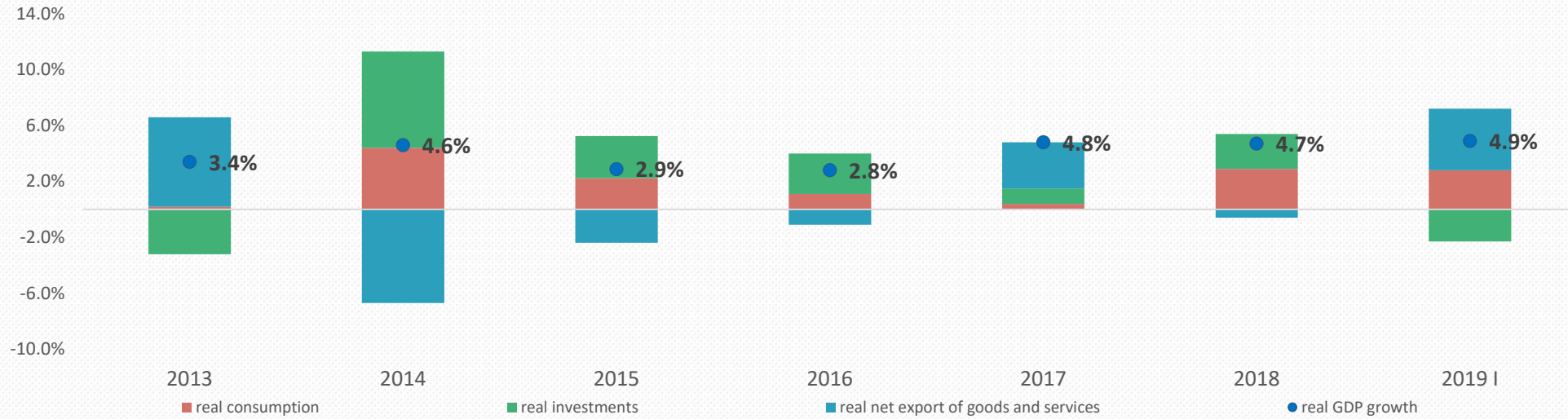


ECONOMIC GROWTH PROJECTIONS 2019-2024 (IMF)

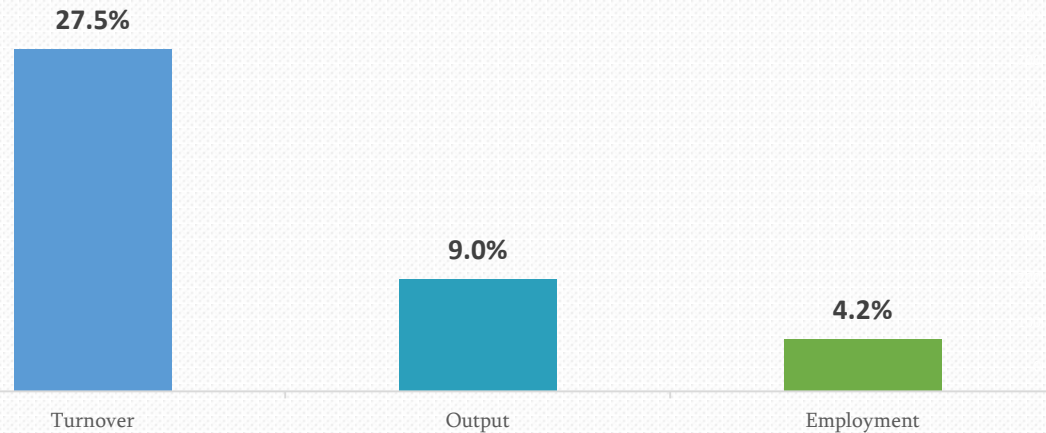


Economic growth

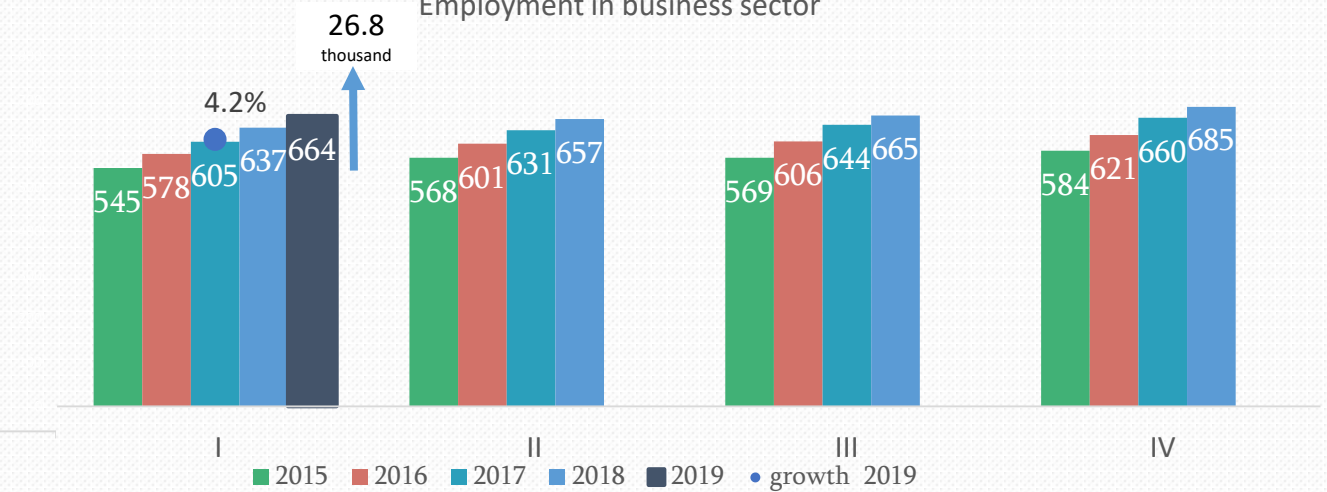
ECONOMIC GROWTH DECOMPOSITION



Business sector 2019 I quarter – % CHANGE

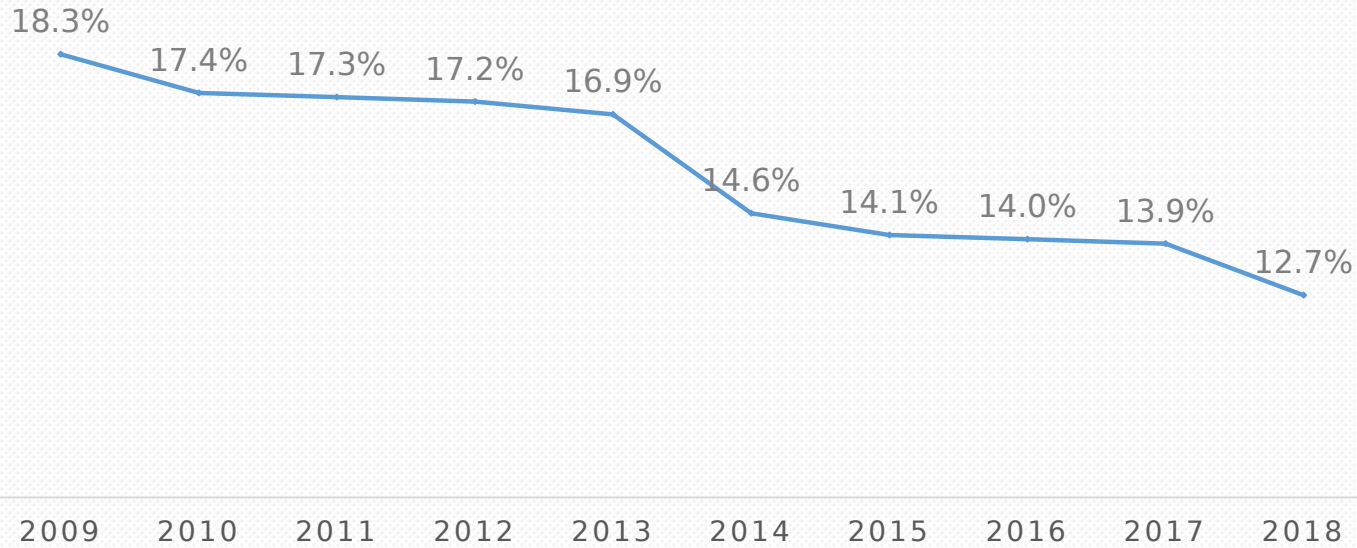


Employment in business sector



Employment and Unemployment

UNEMPLOYMENT RATE



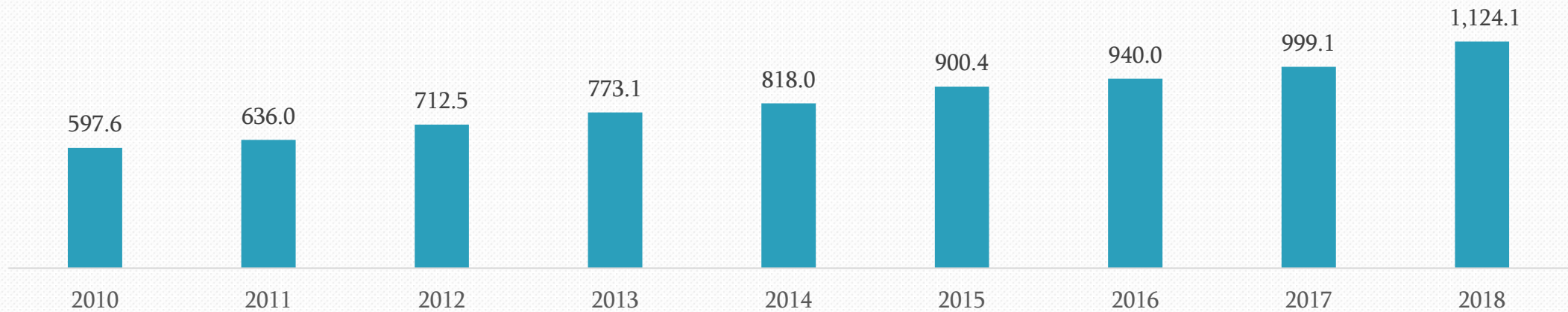
2018

annual unemployment rate reached its lowest point in 15 years

2009-2018

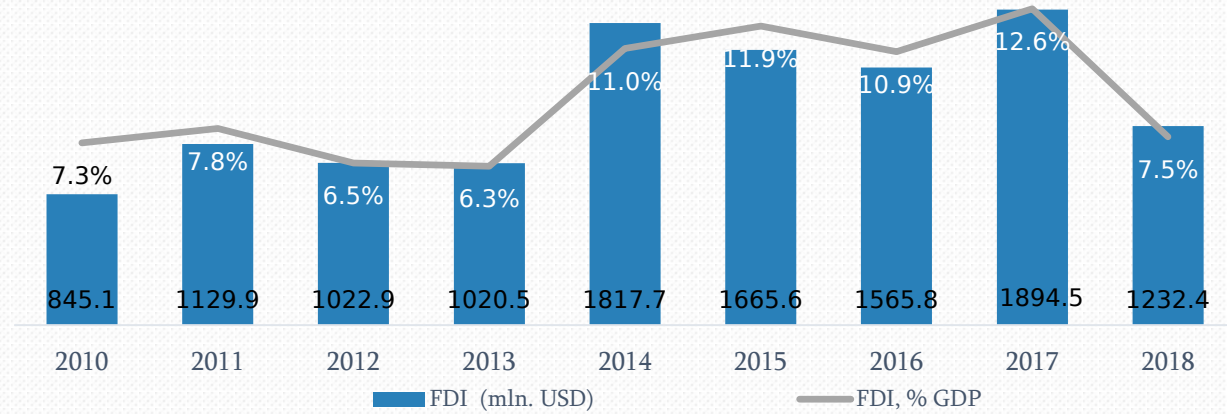
Decreasing trend of unemployment rate

AVERAGE MONTHLY NOMINAL EARNINGS, GEL

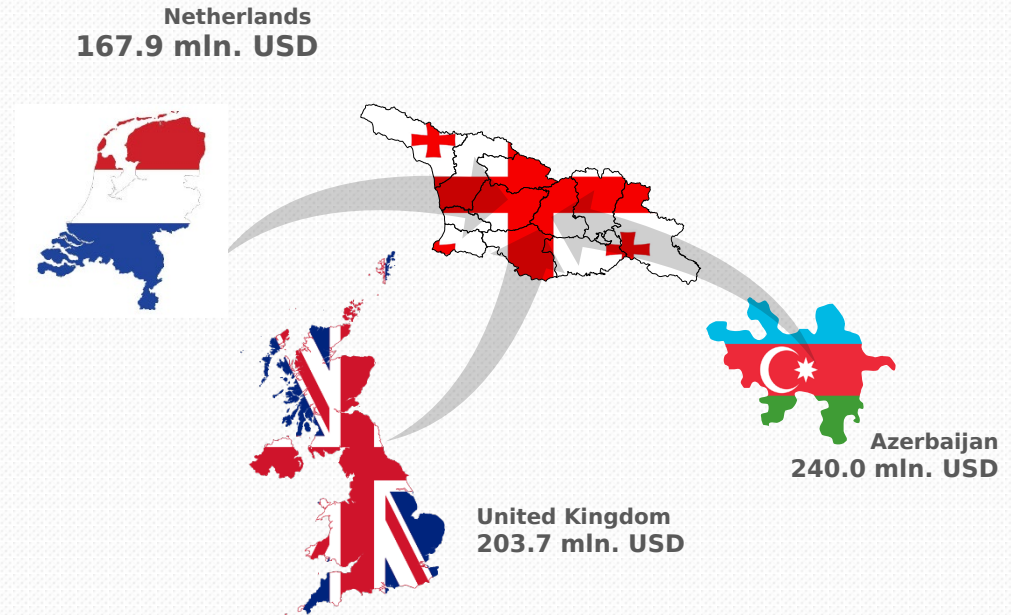


Foreign Direct Investments

FOREIGN DIRECT INVESTMENTS



TOP INVESTOR COUNTRIES 2018

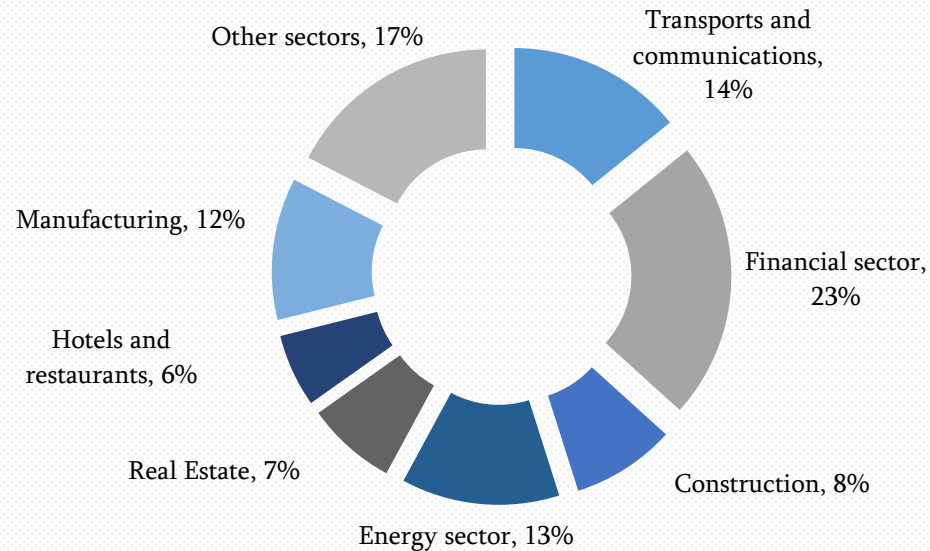


In 2017 FDI in Georgia amounted to 1,894.5 mln. USD reaching all time record high.

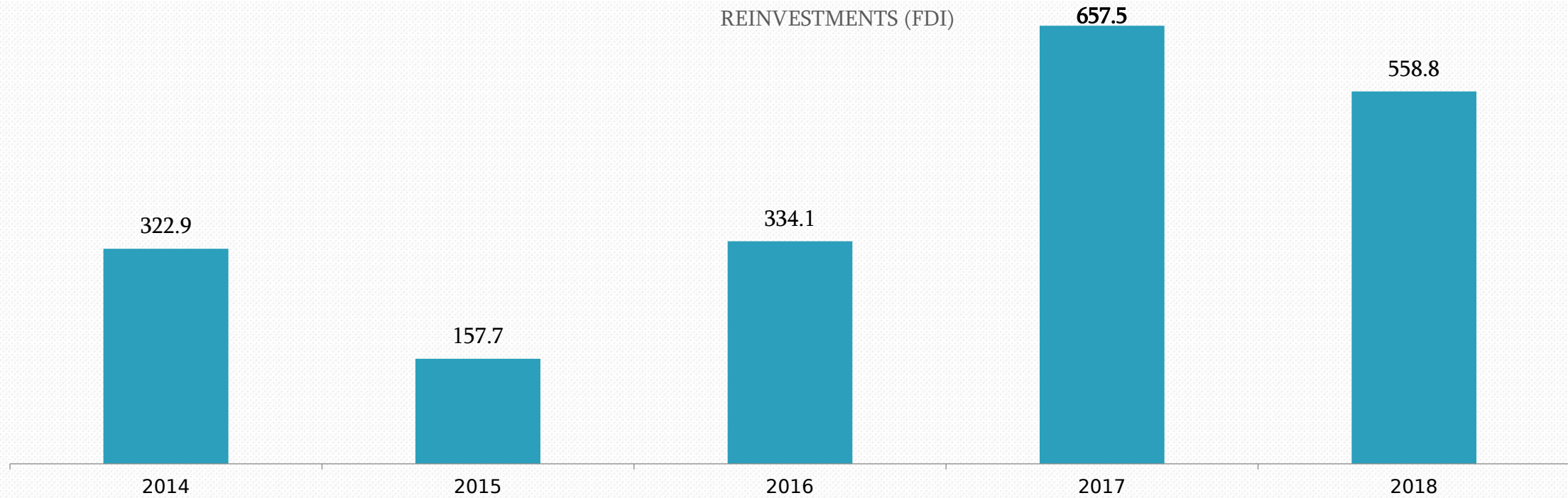
In 2018 FDI amounted to 1,232.4 mln. USD.

In first quarter of 2019 FDI amounted to 281.1 mln. USD.

FDI BY ECONOMIC SECTORS - 2018



Foreign Direct Investments

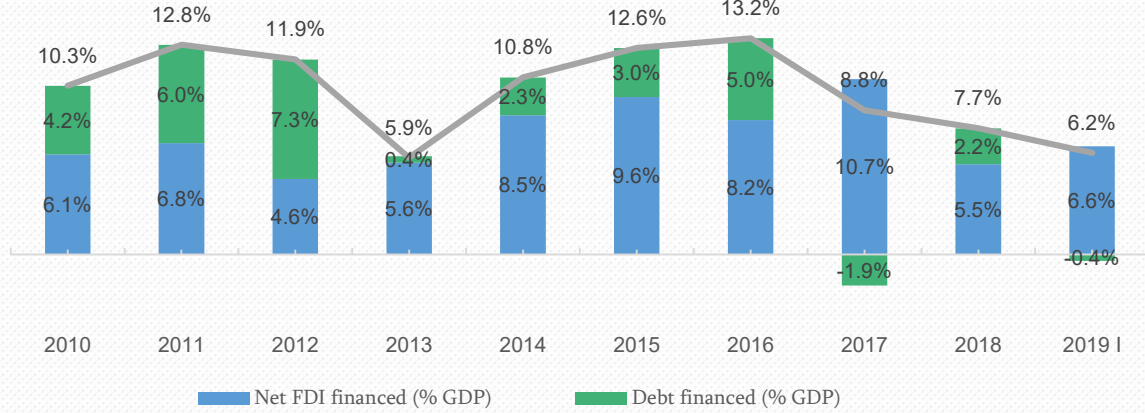


In 2018 reinvestments amounted to 558.8 mln.USD.

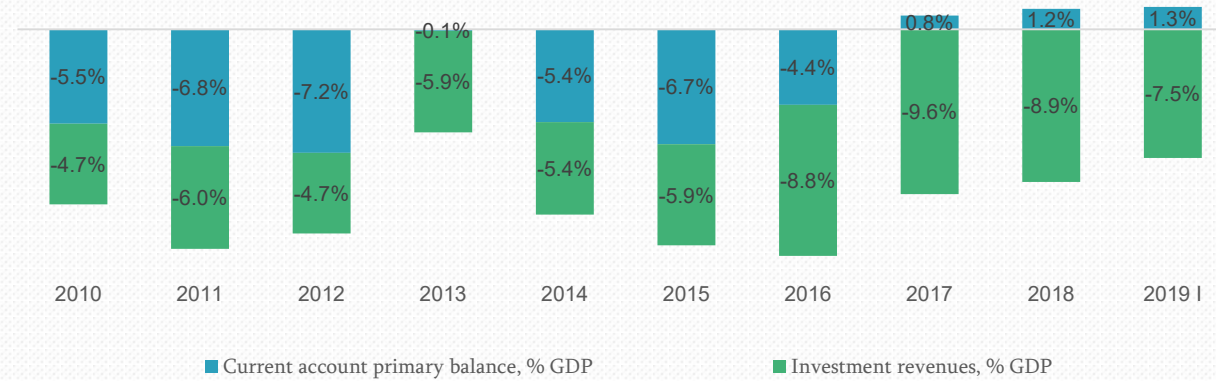
In 2018 reinvestments share in FDI increased from 34.7% to 45.3%.

External Sector

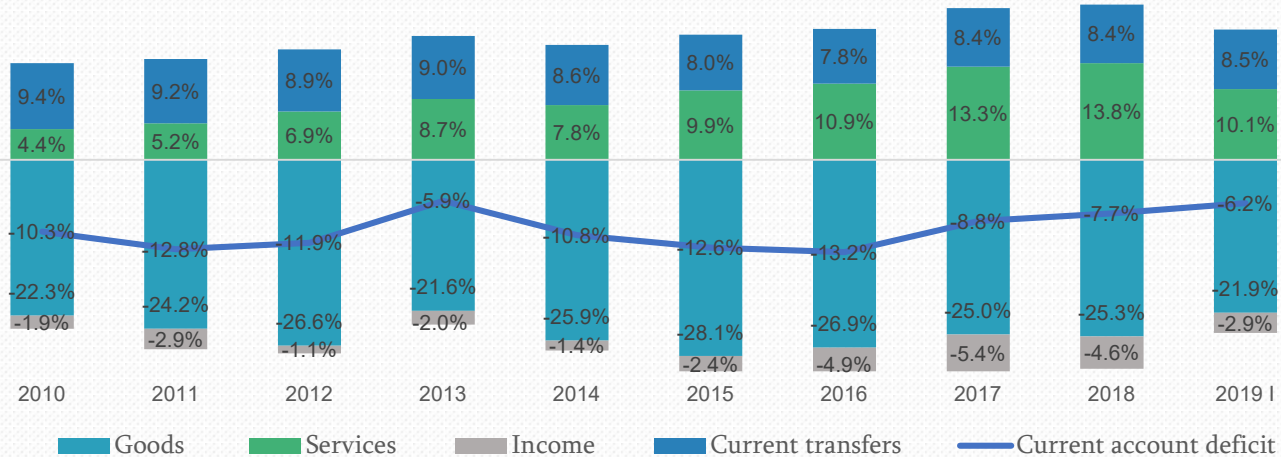
CURRENT ACCOUNT DEFICIT



CURRENT ACCOUNT PRIMARY BALANCE



DECOMPOSITION OF CA, % GDP



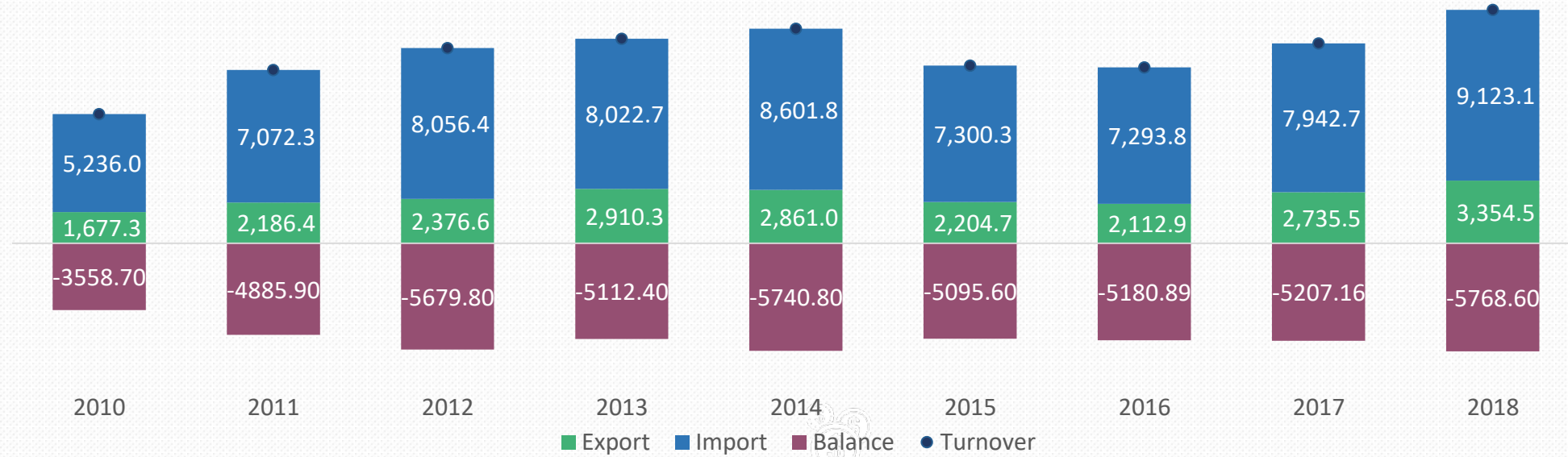
CA deficit is mostly financed by FDI

During the last years share of service export increased in CA inflows

Tourism has the largest share in service export

External Trade

External Trade (mln USD Dollar)



In 2018 export increased by 22.6 percent.



In 2018 trade turnover increased by 16.9 percent.



In January-June of 2019 export increased by 11.5 percent.

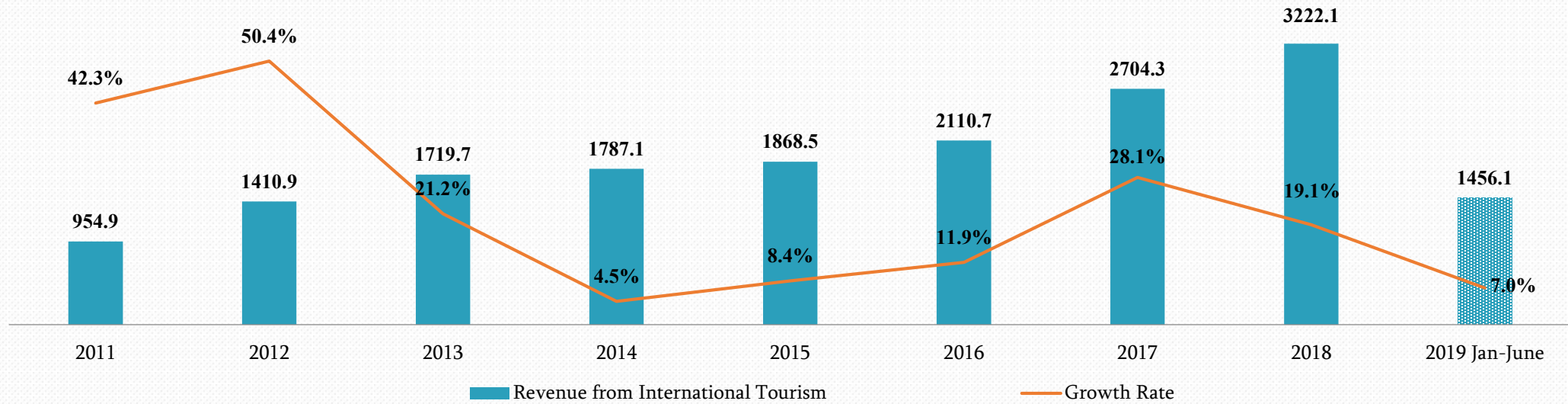


In January-June of 2019 trade deficit decreased by 398.6 mln. USD.

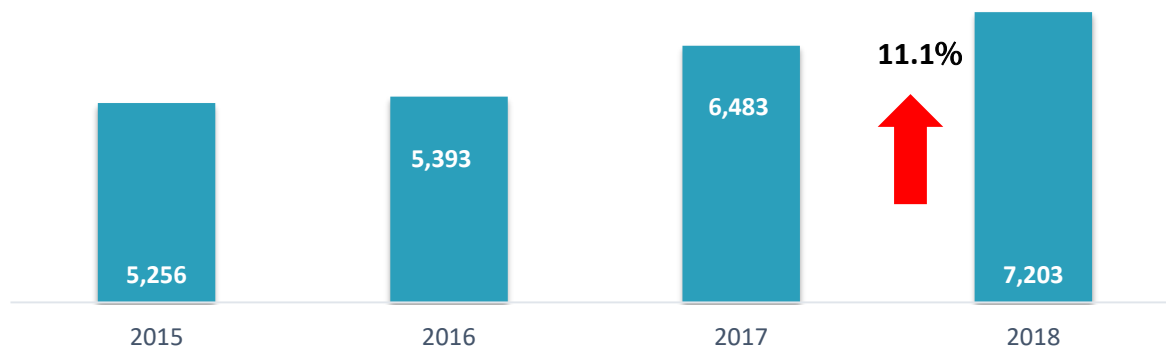


TOURISM

INTERNATIONAL TOURISM REVENUES (USD MILLION)



INTERNATIONAL VISITORS (THOUSAND)



International tourism revenues

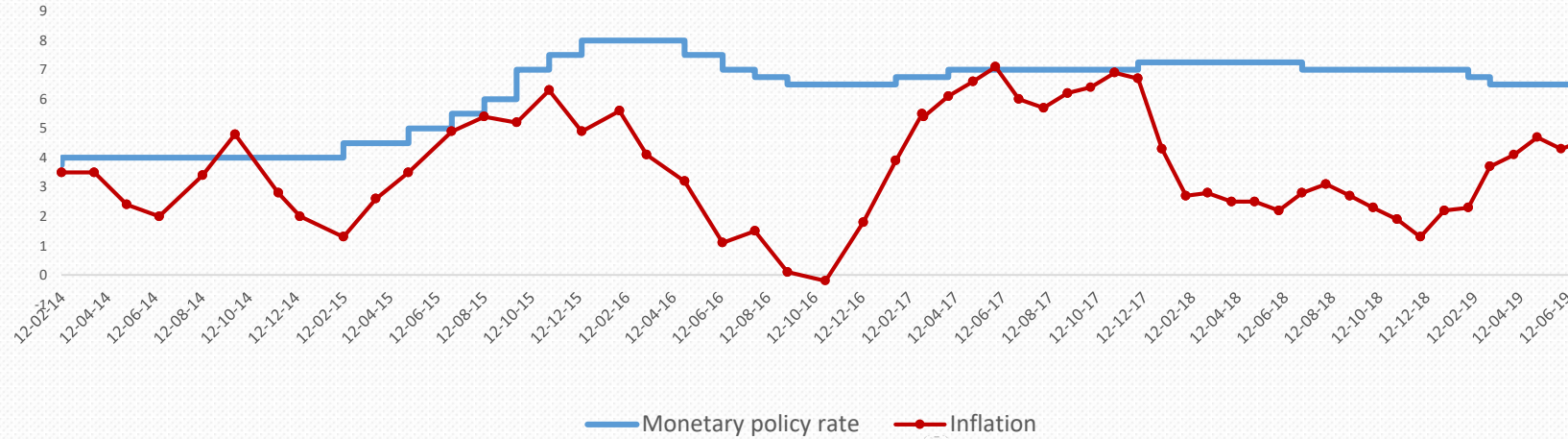
- 2018 3,222.1 mln. USD, growth rate- 19.1%
- Jan-June 2019 1456.1 mln. USD, growth rate- 7.0%

International Visitors

- 2018 7,203.4 thousand, growth rate – 11.1%
- Jan-July 2019 4,111.9 thousand, growth rate – 7.0%

Inflation and Monetary Policy Rate

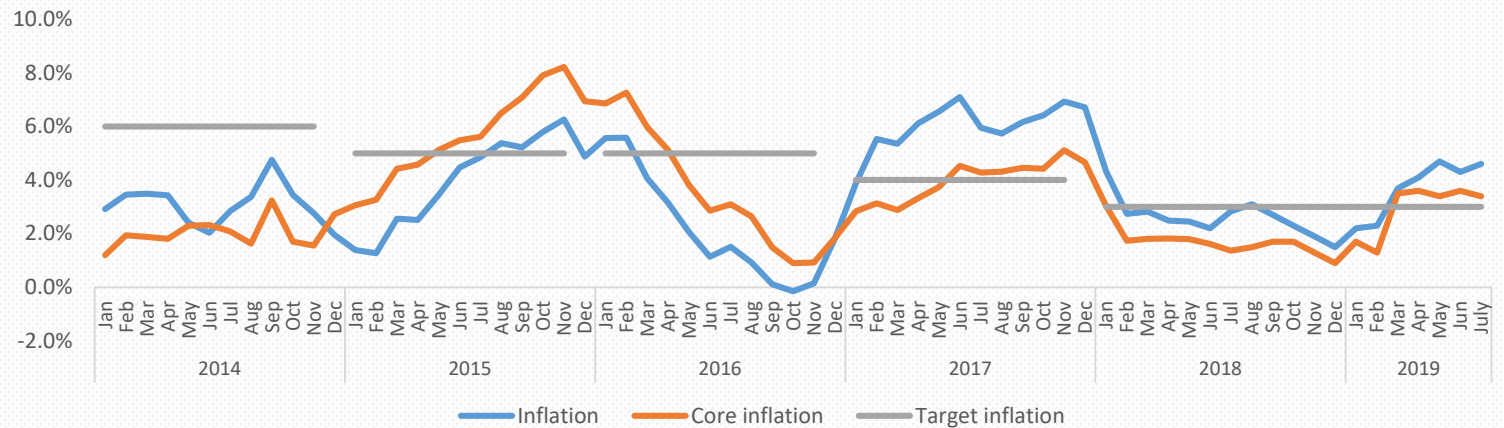
MONETARY POLICY RATE AND INFLATION



Target inflation - 3%

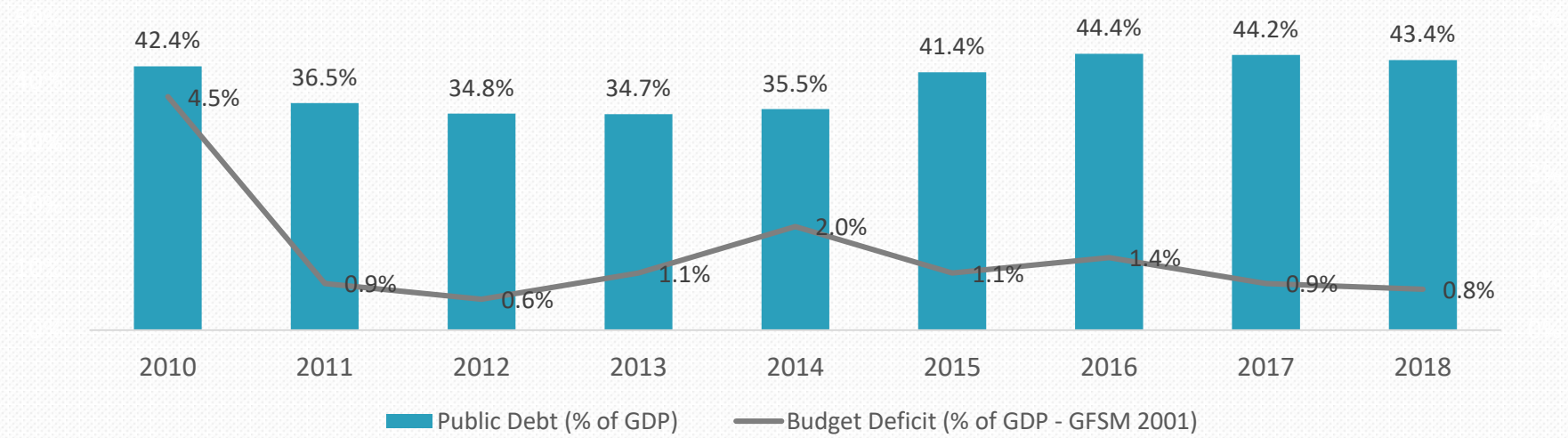
Monetary policy rate - 6.5%

Inflation

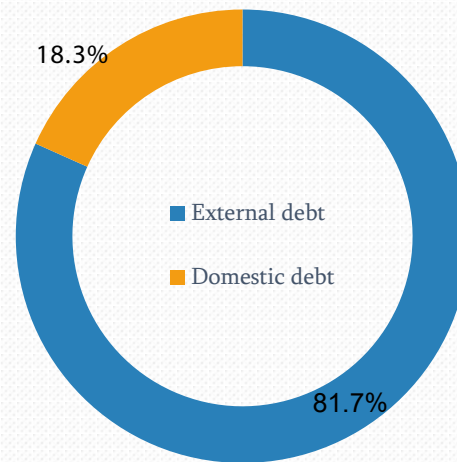


Fiscal Sector

PUBLIC DEBT



PUBLIC DEBT STRUCTURE - 2018



Increasing Sovereign Ratings

Moody's Investors Service has upgraded Georgia's sovereign credit rating to Ba2 from Ba3.

MOODY'S
INVESTORS SERVICE

Ba2 Stable

Reasons of increasing sovereign rating

- Resilience to a significant economic, financial and exchange rate shock in the region in 2014-16;
- Stable macroeconomic environment;
- Institutional strength;
- Ongoing economic reforms.

In February 2019 „Fitch“ Increased the sovereign credit rating from „BB-“ to „BB“.

FitchRatings

BB Stable

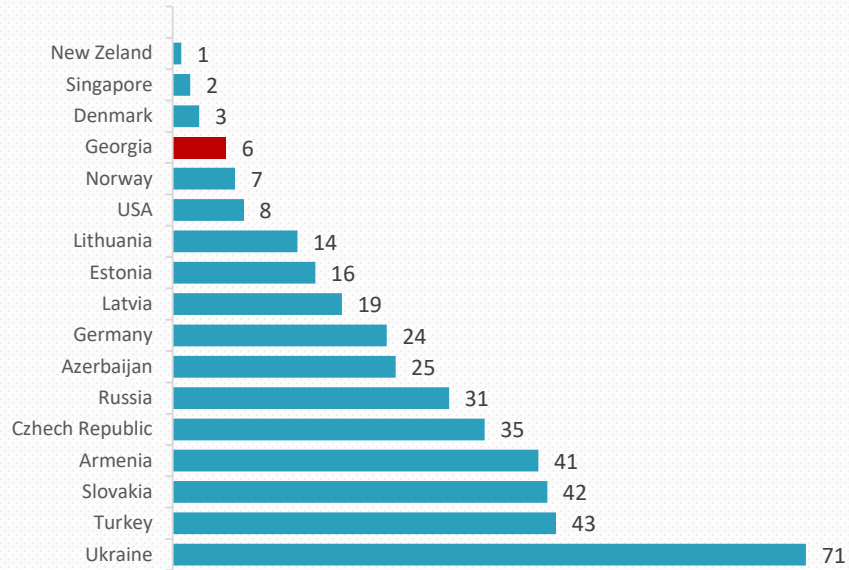
In April 2019 “Standard & Poor’s” changed outlook from stable to positive

STANDARD
& **POOR'S**

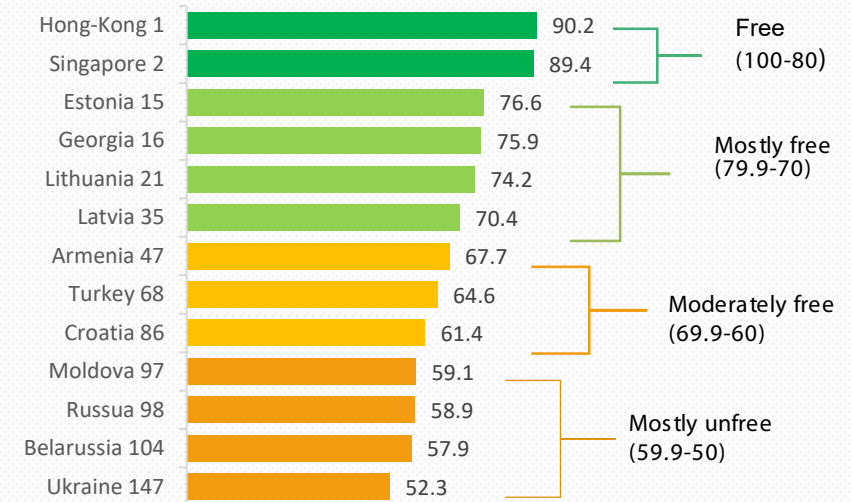
BB- Positive

International Rankings

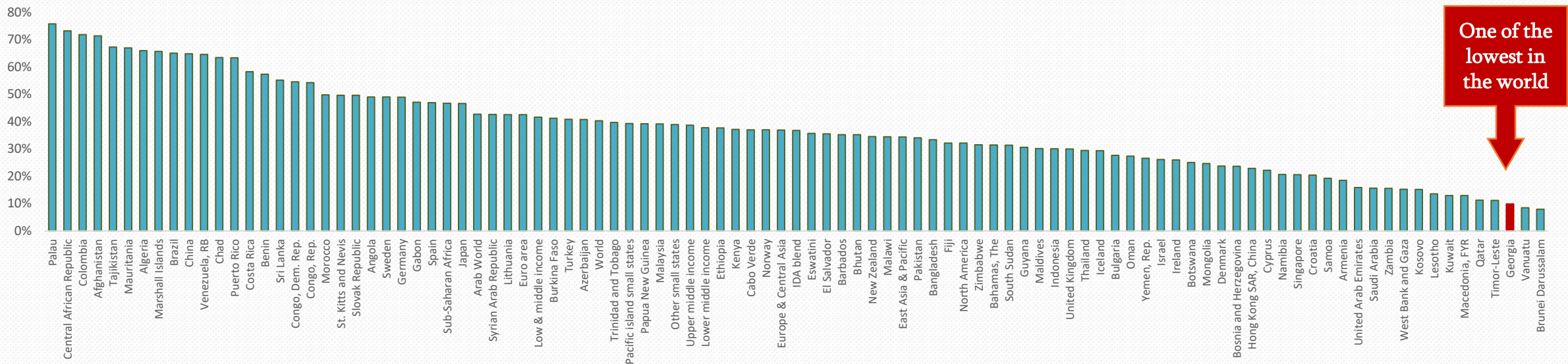
Doing business 2019



ECONOMIC FREEDOM INDEX 2019 (Heritage Foundation)



TAX BURDEN



One of the lowest in the world

THANK YOU!