



March 22 - March 26, 2010

Main Theme of Week

- According to the data of the National statistics Office of Georgia, in January-February, 2010, Georgian foreign trade turnover amounted to 815.3 mln. USD, which is 9% more than the same data of previous year
- Meeting concerning introduction of new numeration communication system was held in the Ministry of Economic Development of Georgia

Economic and Business News

Georgian Foreign Trade

According to the data of the National statistics Office of Georgia, in January-February, 2010, Georgian foreign trade turnover amounted to 815.3 mln. USD, which is 9% more than the same data of previous year.

Export reached 216.4 mln. USD, import – 599 mln. USD.

Ferro-alloys are the main commodity in Georgian export. In January-February, 2010, exported Ferro-alloys amounted to 39 mln. USD (18% of total export).

Other important commodities in Georgian export are Motor cars (11% of total export), gold (7%), Mineral or chemical fertilizers, nitrogenous (6.6%), Copper ores and concentrates (5.6%), Other nuts, fresh or dried (5%), Ferrous waste and scrap (4,7%), Crude oils (3.4%), Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages (3%) etc.

In January-February, 2010, main commodities

in Georgian import were Petroleum and petroleum oils (12% of total import), Motor cars (7%), Petroleum gases and other gaseous hydrocarbons (6.2%), medicaments (3.8%), wheat (3.3%), Electrical apparatus for line telephony or line telegraphy (2.9%) etc.

According to the data of the National statistics Office of Georgia, in January-February, 2010, Georgian foreign trade turnover with EU countries amounted to 209 million USD (25.6% of total trade turnover).

Export amounted to 52.3 million USD (24.2% of total export), import – 156.5 million USD (26,1% of total import).

In January-February, 2010, Georgian foreign trade turnover with CIS countries reached 258 million USD (31.7% of total trade turnover). Export amounted to 71 million USD (32.6% of total export), import – 188 million USD (31.3% of total import).

In January-March, 2009, share of 10 biggest trade partners in Georgian total foreign trade turnover amounted to 66%.

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Fifth Review under the Stand-by Arrangement for Georgia

The Executive Board of the International Monetary Fund (IMF) completed the fifth review of Georgia's economic performance under an 18-month Stand-By Arrangement (SBA) for an amount about 729.2 million USD approved on September 15, 2008.

On August 6, 2009, the Executive Board approved an augmentation of access under the SBA to an amount of about 1,141.8 million USD and an extension of the SBA until June 14, 2011. The completion of the fifth review allows for the immediate purchase of an amount of about 148.7 million USD.

After the Executive Board's discussion, Deputy Managing Director and Acting Chair, said, that signs of an economic recovery are becoming more evident in Georgia, sustained by an improved external environment and supportive macroeconomic policies. To gain momentum, recent positive trends will require a pickup of FDI and credit growth.

The authorities' economic program has helped to restore confidence and limit the contraction of economic activity in 2009 by allowing for a marked widening of the fiscal deficit. With the economy now recovering, the 2010 economic program focuses on fiscal retrenchment, which is aimed at preserving debt sustainability and macroeconomic stability and facilitating the exit from IMF balance of payments support. The containment of public expenditures should lead to a reduction of the fiscal deficit to 7.4 percent of GDP in 2010, down from 9.2 percent in 2009, while protecting social spending.

Sector of communications and Informational Technologies

Meeting concerning introduction of new numeration communication system was held in the Ministry of Economic Development of Georgia. The transfer to the Electronic Communications Numeration System in Georgia must start stage by stage and should be executed publically before January 1, 2011. Corresponding resolution is being worked out in order transfer to the new numeration system and the process is almost over. The switch to the new system is inevitable since the current system is almost devastated.

The numbers will become portable after the system enters the market. The customers will have the ability to switch from one operator to another with simple combinations without even changing the number or the index. The portability of numbers will create a client-oriented service system, decrease of prices and healthy competition. Only one type of portability will be implanted at first which means that clients of cell phones will have the ability to switch their operators. The next stage is converged portability where the fixed subscribers will be able to switch operators without losing their numbers.

The idea of the reform is dialling digits differently. The project anticipates following changes: Every number in Tbilisi will have the seventh digit „2“ in front of the number. As for the regions, they will all have six digits. The codes for international operators will also change. The project is open for public review at the web-site of the Ministry of Economic Development of Georgia.

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Daily Economic Statistics

Indexes

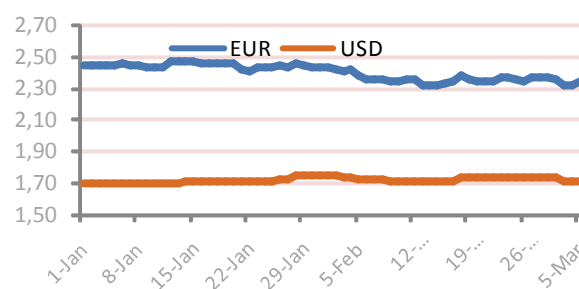
	25.03.10	26.03.10	Change
NASDAQ	2 398,76	2 397,41	▼ -0,06%
S&P 500	1167,72	1165,73	▼ -0,17%
Dow Jones	10 836,15	10 841,21	▲ 0,05%
Georgia's Eurobond (price)	104,27	104,19	▼ -0,08%
Georgia's Eurobond (yield)	5,948	5,970	▲ 0,37%

Source:

Yahoo Finance, Galt & Taggart Securities

Foreign Exchange Rates (GEL)

	USD	EUR
26.03.10	1,7372	2,3188
25.03.10	1,7355	2,3181
24.03.10	1,7311	2,3391
23.03.10	1,7346	2,3466
22.03.10	1,7353	2,3550



Source:

National Bank of Georgia

World Prices (USD)

	22.03.10	23.03.10	24.03.10	25.03.10	26.03.10
BRENT (DTD) (1 Barrel)	79,19	81,24	80,63	80,93	81,19
Gold (1 Uncia)	1104,25	1100,75	1094,00	1093,50	1098,00
Silver (1 Uncia)	16,78	16,78	16,68	16,79	16,85
Cooper (1 KG)	7,461	7,301	7,405	7,311	7,347

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

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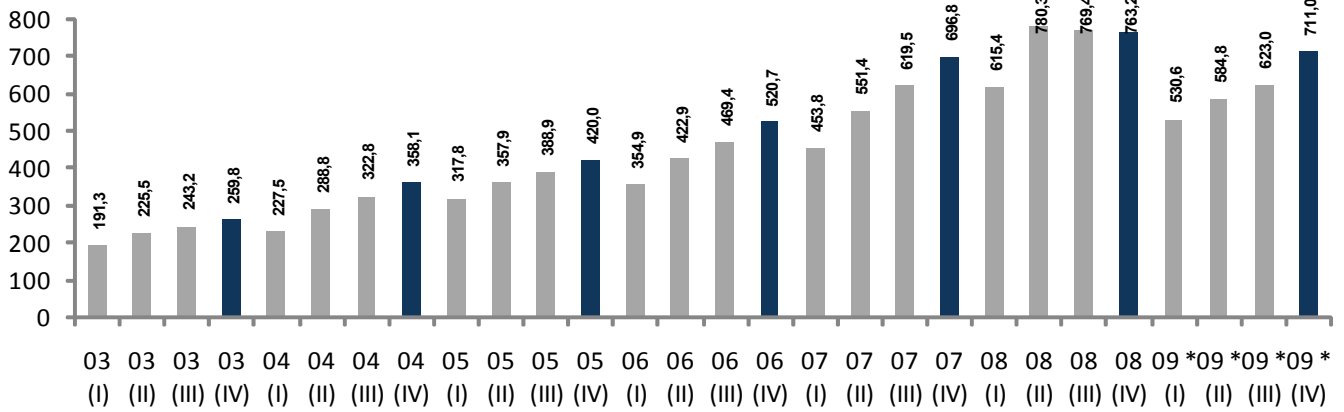
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GDP per capita (USD)

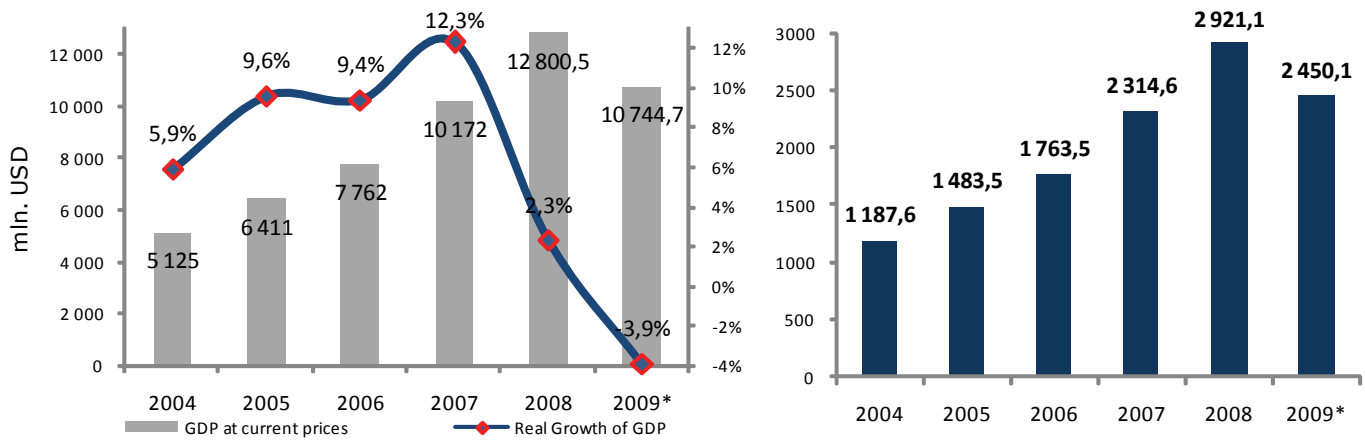


Source:

National Statistics Office of Georgia

GDP at current prices and real growth

GDP per capita (Annual, USD)



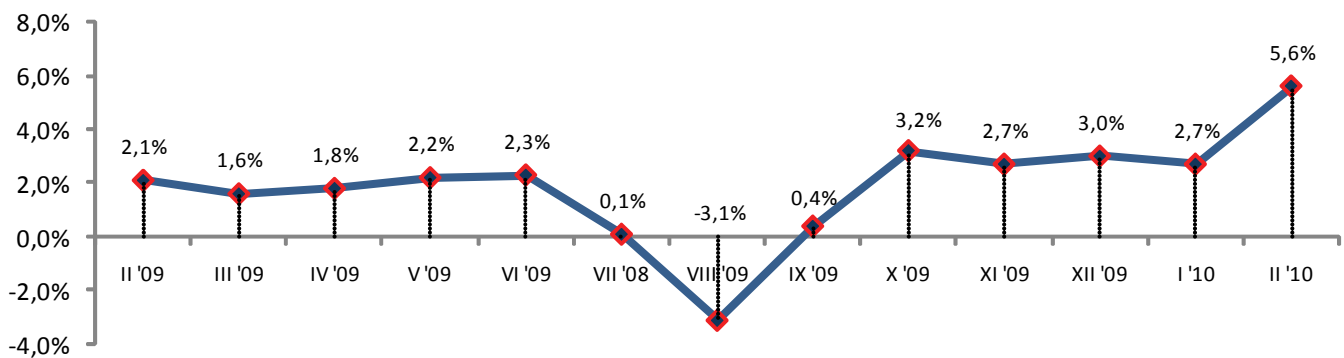
Source:

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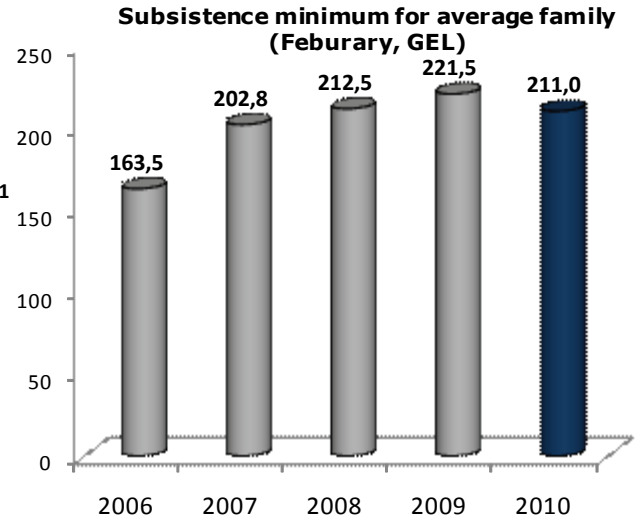
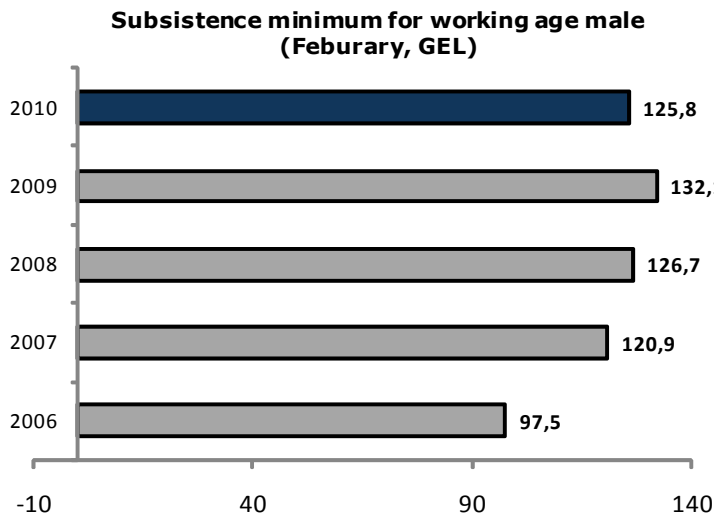
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	2005	2006	2007	2008
Active population (labour force, thousand person)	2023,9	2021,8	1965,3	1917,8
Employed	1744,6	1747,3	1704,3	1601,9
Salaried employees	600,5	603,9	625,4	572,4
Self-employed	1143,3	1141,6	1078,8	1028,5
Not classified	0,8	1,8	0,1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



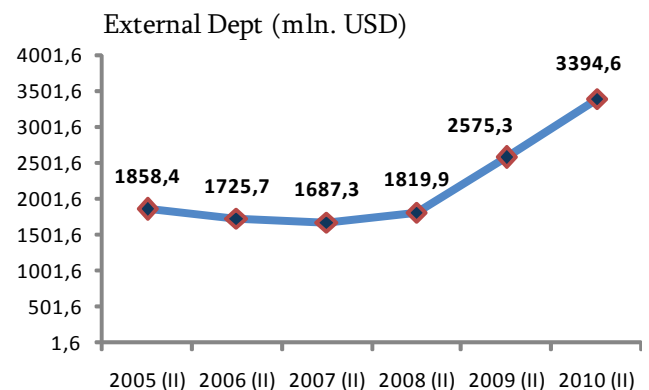
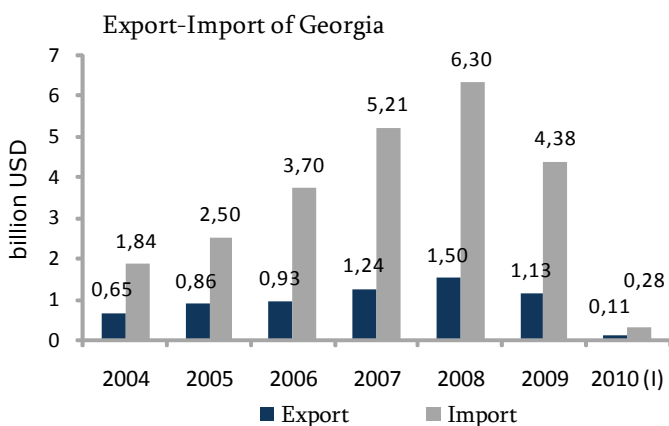
	2006	2007	2008	2009	2010*
Working age male	106,5	118,6	127,9	128,8	125,8
Average consumer	94,4	105,0	113,3	114,1	111,4
Average family	178,7	198,9	214,6	216,0	211,0

(* February, GEL)

Source:

National Statistics Office of Georgia

External Economic Statistics



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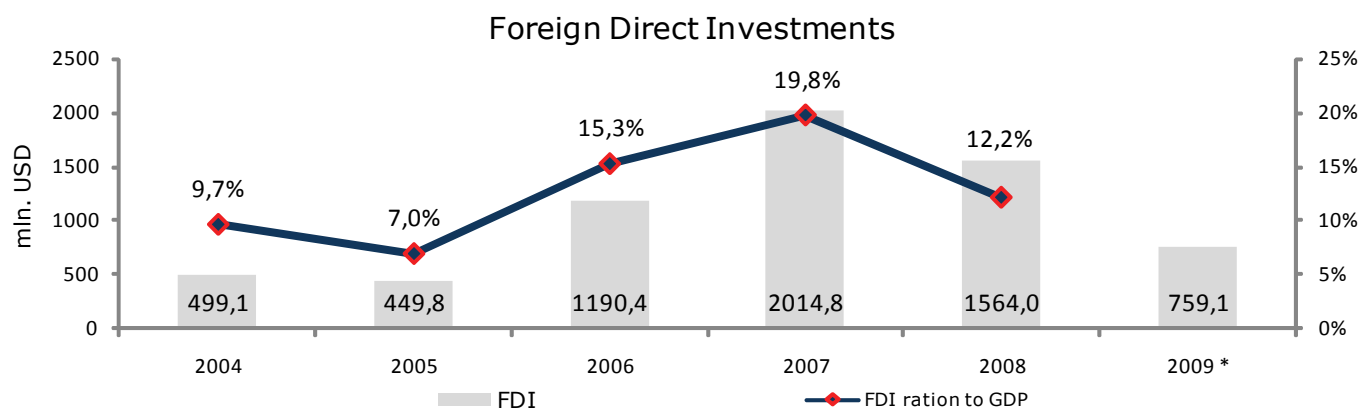
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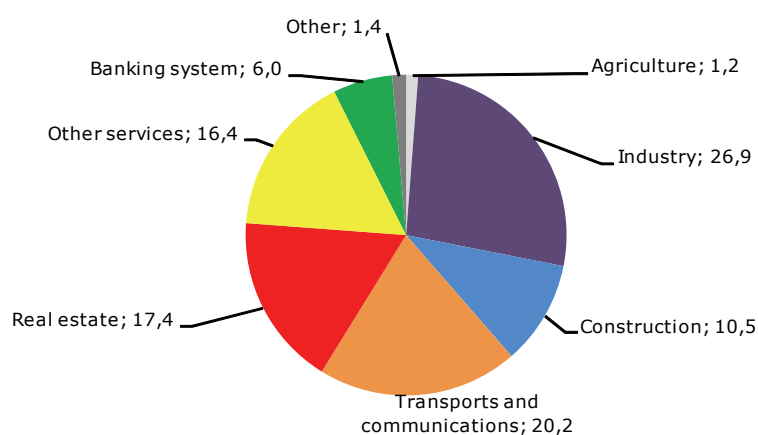
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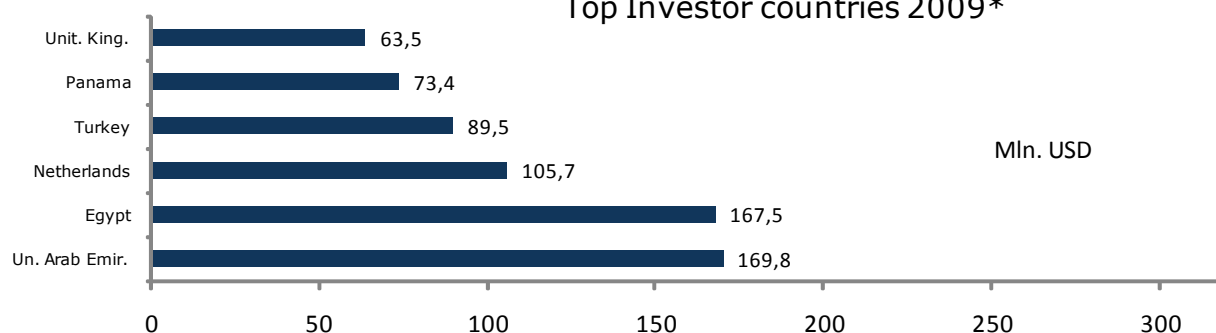




FDI by Economic Sectors (2009*, %)



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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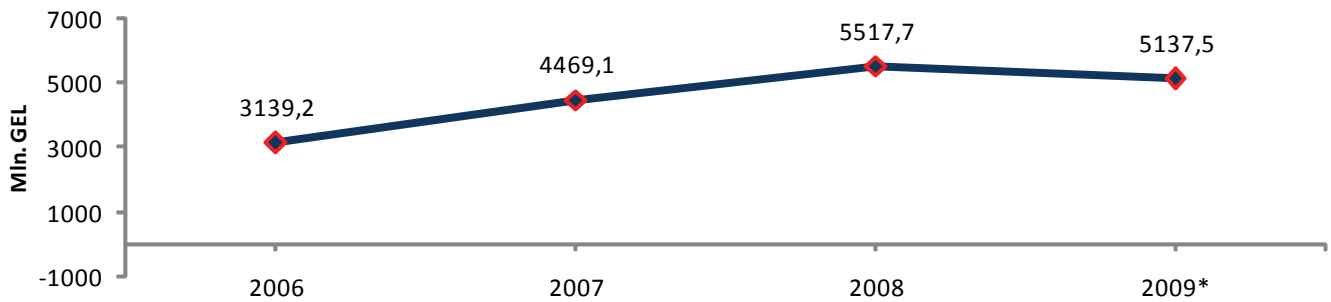
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State Budget Revenues



	2006	2007	2008	2009
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)

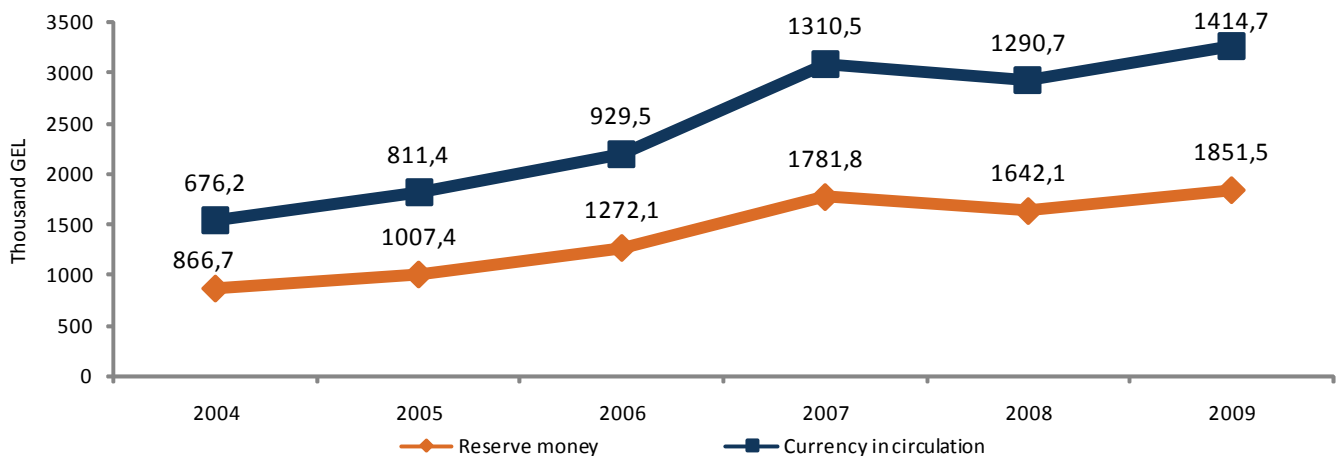
Remark:

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.investinggeorgia.org
Department of Tourism and Resorts of Georgia	www.dort.gov.ge
Department of Privatization of Georgia	www.privatization.ge
Georgian National Agency for Standards, Technical Regulations and Metrology	www.gnims.caucasus.net
Department of Statistics of Georgia	www.statistics.ge
Georgian State Inspection of Technical Supervision	www.techinspection.ge
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Georgia's profile	www.georgia.gov.ge

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