



January 25 - January 29, 2010

## Main Theme of Week

- **At the Egyptian–Georgian Joint Committee both sides agreed to work together in order to expand cooperation in the technical field**
- **Two enterprises funded within the framework of MCG's Agribusiness Development Activity, were opened in Batumi**
- **in 2009 figures of cargo transportation and handled containers were increased in Georgia**

## Economic and Business News

### Agreement in Technical Field

**At the Egyptian–Georgian Joint Committee for Economic, Scientific and Technical Cooperation, held in Cairo, both sides agreed to work together in order to expand cooperation in the technical field in terms of cooperation between training institutes in both countries and establishing technology parks.**

Egypt welcome to share its experience with Georgia through providing consulting and management science in establishing a prominent center of attraction for international investments and to carry all peripheral business activities.

Cooperation between training institutes specialized in Information Technology training in both countries will help to exchange of knowledge in emerging top-notch technologies, such as:

biomedical informatics, coverage of media and ICT, Business process outsourcing, knowledge process outsourcing, e-learning technologies, information security, e- business and multimedia.

### Entrepreneurship

**Fruit and Citrus Processing Enterprise-"Citro", which received \$100 000 grant from MCG's ADA Project was opened in Batumi.** With these funds and co-financing of Citro LLC (\$179 187), the enterprise has established a modern plan producing and distributing natural citrus and other fruit juices.

The plant produces high quality four type juices from natural fruit (lemon, tangerine, orange, grapes) and sells them at

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the local marketplace. 18 new jobs were created in the enterprise and up to 350 local farmers gained additional benefit by selling their products.

### **Citrus Sorting Plant - "Agroexport", which received the grant in the amount of \$49 800 from MCG's ADA Project was opened in Batumi.**

With these funds and co-financing of Agroexport LLC, (\$116,120), the Agroexport purchased and renovated the premise, purchased the citrus sorting-calibrating technological line and other modern equipment, as well as covered all environmental, marketing and training costs.

The Agroexport LLC sorts, packs and sells these products at local markets and exports as well. The Project has created up to 20 new jobs and will benefit at least 210 farmers.

Under MCG's Agibusiness Development Activity, total 271 projects have been approved so far in the fields of primary production, small and medium enterprise and farm service center development in all regions of Georgia, with total budget of \$15.6 million and creating up to 3 550 new jobs in rural areas.

## Transport Sector

**According to the data of Transport Department, in 2009 figures of cargo transportation by road transport amounted to 28,2 million tones, which**

exceeds the data of 2008 (27,8 million tones) by 1 percent.

Number of passengers carried by road transport was also expanded. This figure reached 309,5 million persons and is increased by 3 percent as compared to the data of 2008 (301,4 million persons).

In 2009, total volume of cargo processed at the sea ports was expanded. Kulevi Sea Port processed 2,1 million tons of cargo and is expanded by 62 percent as compared to the same data of 2008 (1,3 million tons). As for handled containers, in 2009, number of containers at Kulevi Sea Port reached 99 units, which exceeds the same data of 2008 (65 units) by 52 percent.

## International Economic Overview

**IFC, a member of the World Bank Group, announced that it plans to invest up to €100 million to buy nonperforming loans in Central and Eastern Europe.**

The proposed co-investment project aims to help local economies recover from the crisis by addressing the problem of bad debts and troubled assets.

This project to remove troubled assets from bank balance sheets, approved by IFC's board, is aimed at ensuring that banks in these emerging markets are able to continue to provide financing to businesses and credit to consumers, boosting economic activity and creating more jobs.

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## Daily Economic Statistics

### Indices

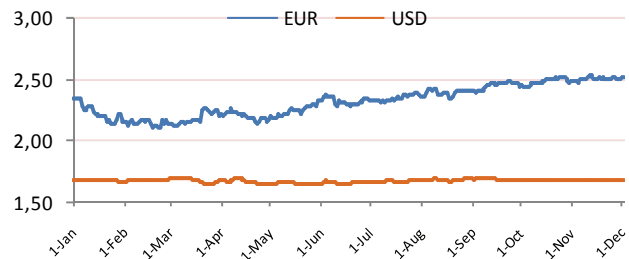
	30.12.09.	31.12.09.	Change
NASDAQ	2 282,10	2 269,15	▼ -0,57%
S&P 500	1122,06	1115,10	▼ -0,62%
Dow Jones	10 509,06	10 428,05	▼ -0,77%
Georgia's Eurobond (yield)	100,57	100,57	0%
Georgia's Eurobond (price)	7,30	7,30	0%

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%

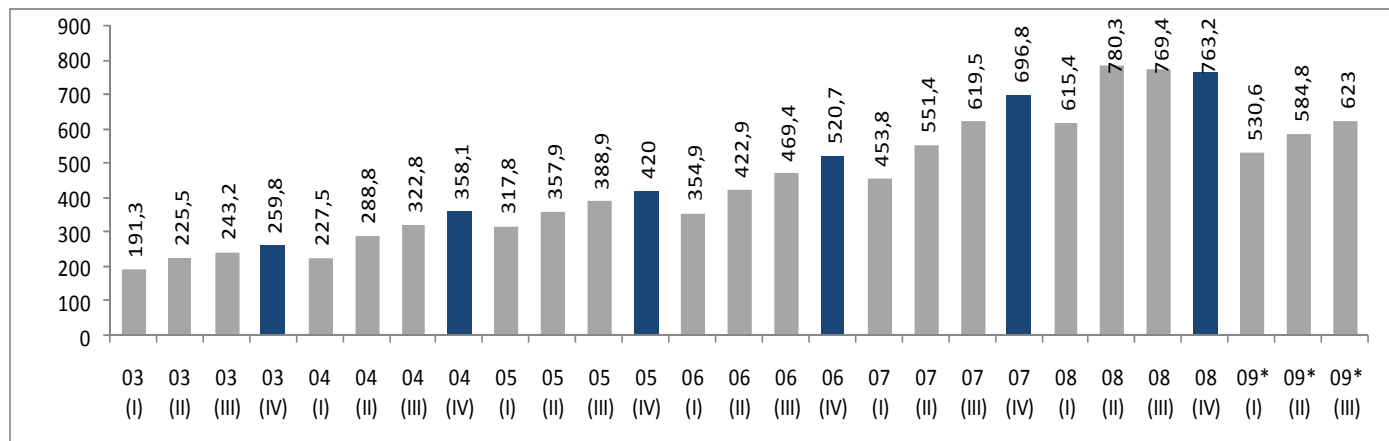
	2004	2005	2006	2007	2008
Nominal GDP (mln. USD)	5 124,7	6 411,0	7 761,7	10 171,9	12 800,5
Real growth of GDP	5,9%	9,6%	9,4%	12,3%	2,3%
GDP per capita (USD)	1 187,6	1 483,5	1 763,5	2 314,6	2 921,1

Source:

Department of Statistics of Ministry of Economic Development of Georgia



## GDP per capita (USD)

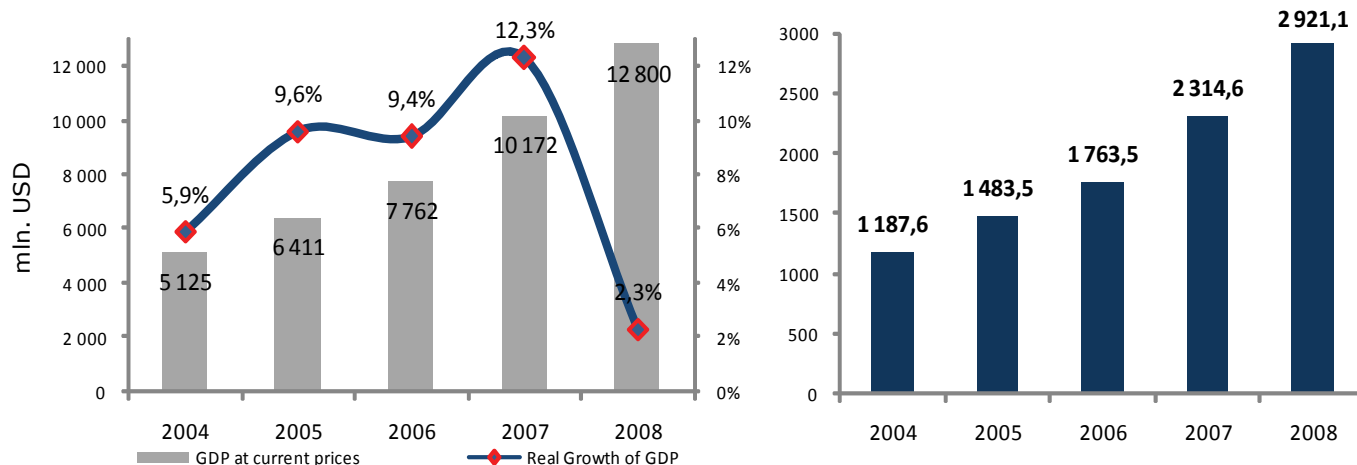


Source:

Department of Statistics of Ministry of Economic Development of Georgia

## GDP at current prices and real growth

## GDP per capita (Annual, USD)



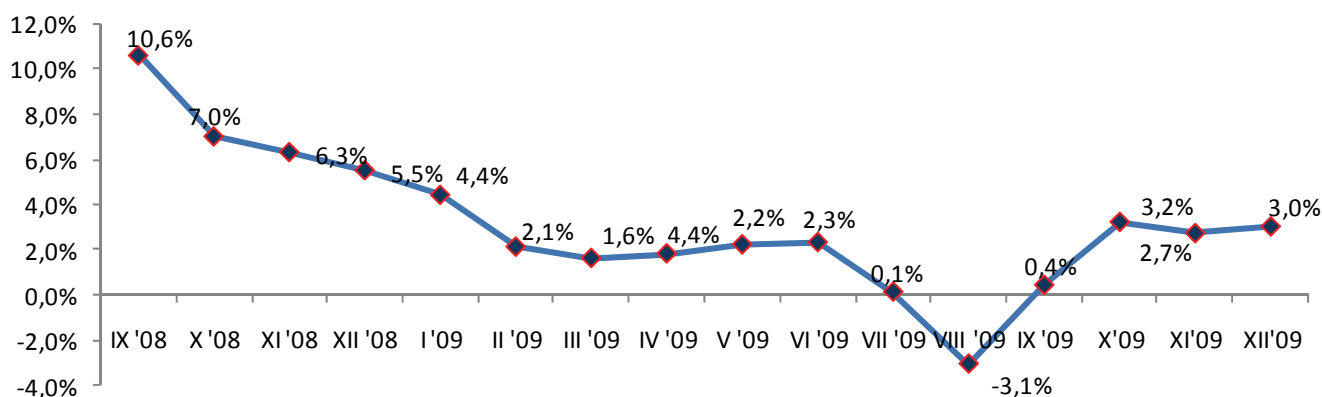
Source:

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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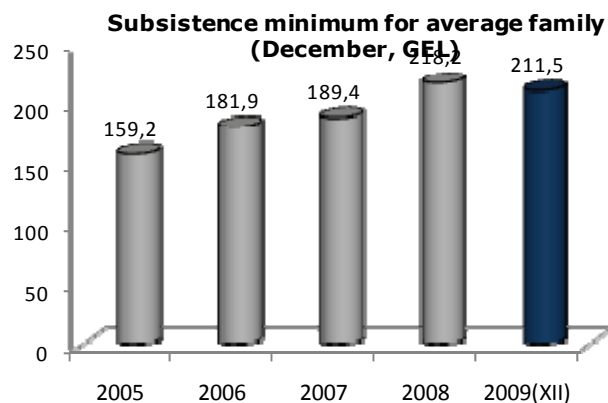
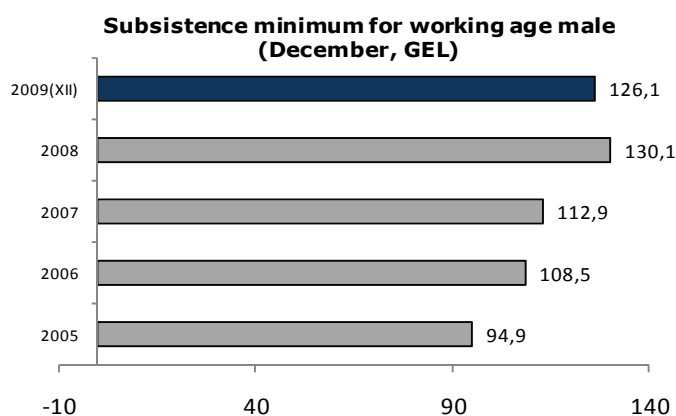
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## Social Statistics

	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

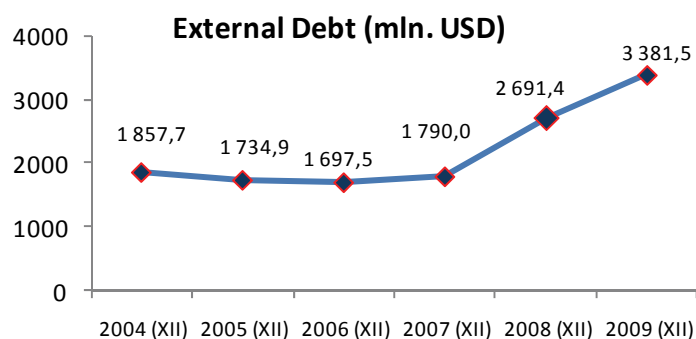
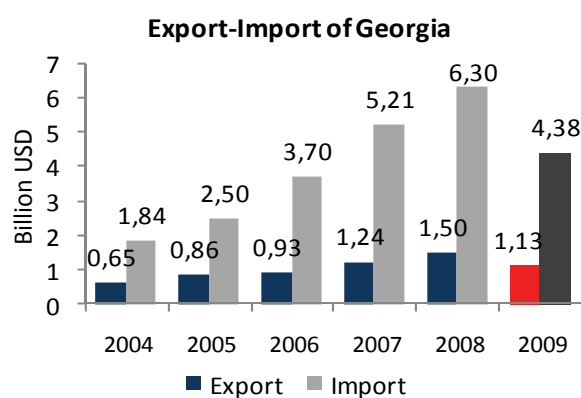


Subsistence minimum	2005	2006	2007	2008	2009*
Working age male	94,9	108,5	112,6	130,1	124,7
Average consumer	84,1	96,1	100,0	115,2	110,5
Average family	159,2	181,9	189,4	218,2	209,2

(\*December, GEL)

Source: Department of Statistics of Ministry of Economic Development of Georgia

## External Economic Statistics



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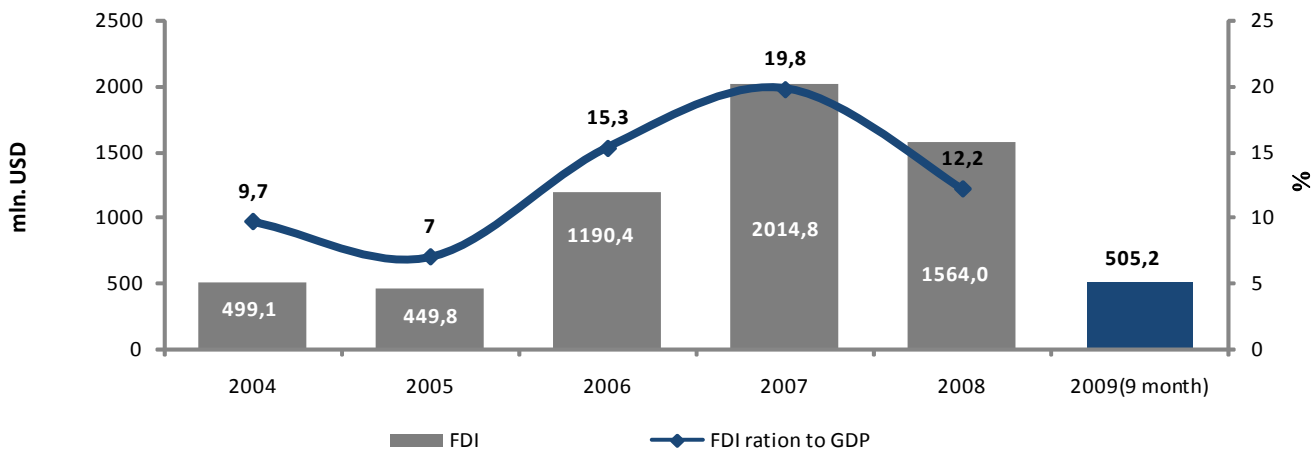
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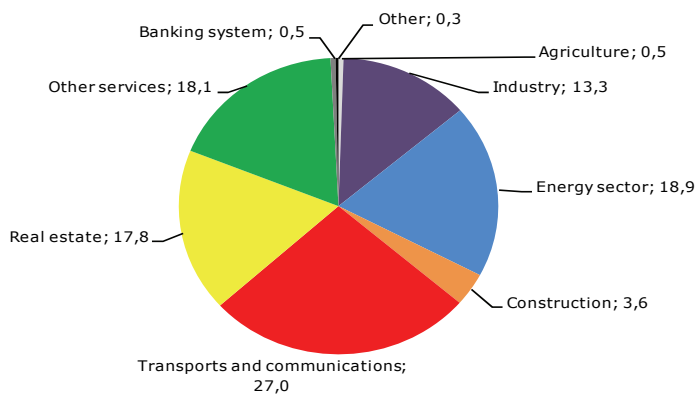
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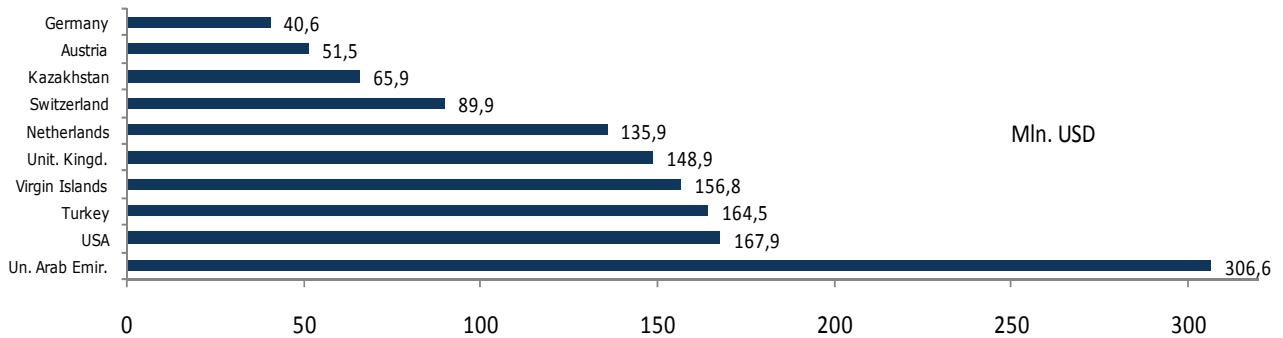
## Foreign Direct Investment



### 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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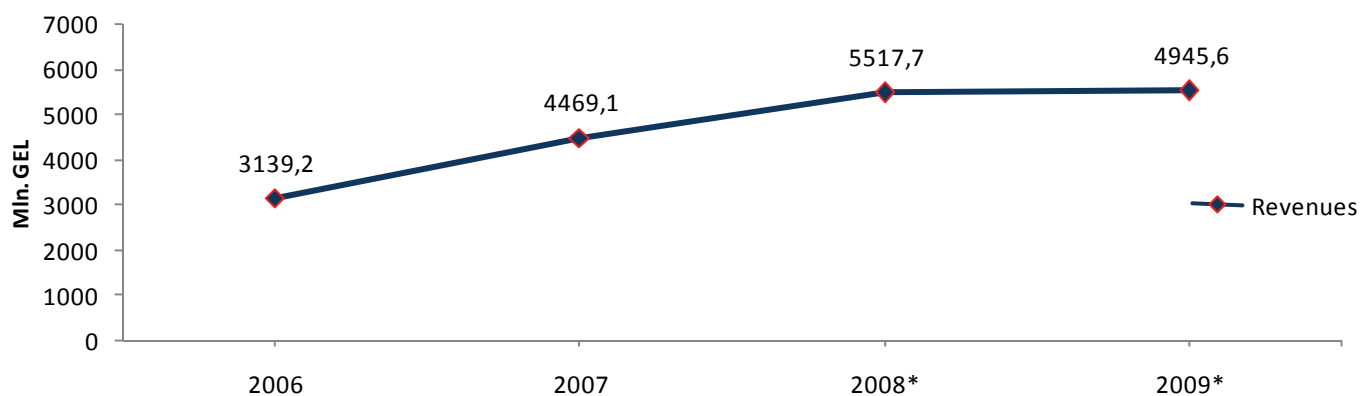
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## State Budget Revenues



	2006	2007	2008	2009
<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

(mln.GEL)

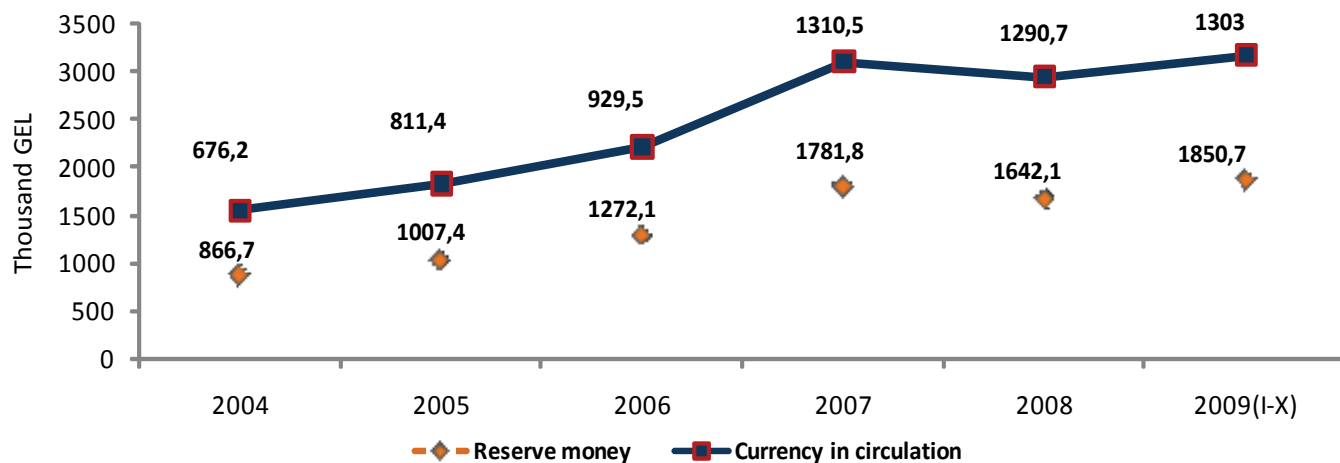
Remark:

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:

National Bank of Georgia

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## Useful Links:

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Department of Statistics of Georgia	<a href="http://www.statistics.ge">www.statistics.ge</a>
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Enterprises Management Agency	<a href="http://www.ema.ge">www.ema.ge</a>
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Government of Georgia	<a href="http://www.government.gov.ge">www.government.gov.ge</a>
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