

3/18/2022

Weekly Highlights

External Merchandise trade of Georgia

External Merchandise Trade (excluding non-declared trade) of Georgia amounted to USD 2 539.2 million in January-February 2022, 49.2 percent higher year-on-year. The value of export increased by 54.5 percent reaching USD 760.4 million, while the import increased by 47.0 percent and amounted to USD 1 778.9 million. The trade deficit equaled USD 1 018.5 million and its share in trade turnover constituted 40.1 percent.

Tracking the Recovery - TBC Capital

New mortgage issuance posted a decline, during 1-13 March period
Non-cash spending by non-residents, through TBC Bank's channels, significantly decreased
Through TBC Bank's channels, growth of non-cash spending in hotels and restaurants & cafes slightly improved
Growth of non-cash spending on apparel & accessories remains stable

Exchange rate- As a result of 25th February, the value of one dollar became 3.2096 GEL and the value of one euro became 3.5431 GEL.

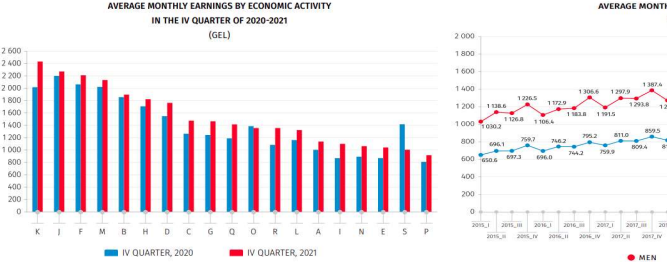
Covid 19- Confirmed coronavirus cases 1 640 550 , within the past 24 hours 872; Recovered- 1 594 924, within the past 24 hours- 913; Fatal outcome- 16 630, within the past 24 hours- 18.

The Impact of the War on the Georgian Economy by Irakli Kovzanadze

According to Irakli Kovzanadze, Chairman of the Parliamentary Committee on Finance and Budget, the Russia-Ukraine war is a geopolitical shock that will inevitably be transmitted to the economy :

1. There has already been an increase in prices for raw materials and this trend will accelerate even more during the war. Including on energy, food, building materials, etc. Which in itself will affect the Georgian economy.
2. Remittances from abroad will decrease. Obviously, especially from Russia and Ukraine, for obvious reasons. In my opinion, there will be a 70-80% loss from these countries in this regard.
3. This year we planned to increase tourism and tourism revenues. Obviously, there will be losses in this direction as well, and it will be not only at the expense of Russian and Ukrainian tourists.
4. Exports will decrease. Firstly, again and again because of the hostilities in Russia and Ukraine, financial and economic sanctions, and the devaluation of the ruble.
5. In the current situation, there will be serious pressure on inflation and the GEL exchange rate.
6. There is another circumstance: the Central Bank of Russia sharply increased the refinancing rate during the war to about 20%. The US Federal Reserve, for the first time since 2018, will also raise interest rates on existing risks in line with inflation expectations. All this, of course, will affect us, and probably the National Bank will have to tighten monetary policy even more.
7. As for the budget area, I think budget execution will not be a problem, although I do not rule out that, as in previous years, some adjustments will be needed.

AVERAGE MONTHLY NOMINAL EARNINGS OF EMPLOYEES (IV QUARTER, 2021)

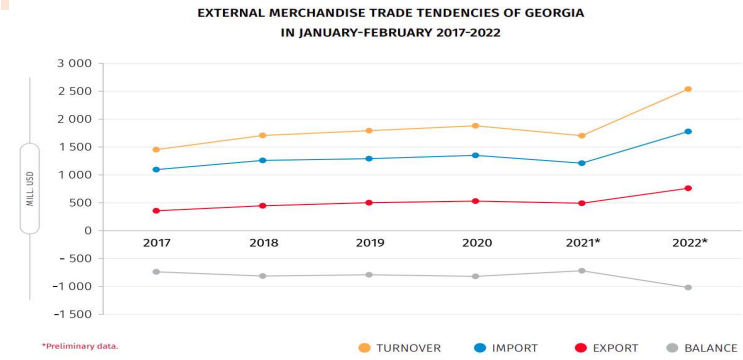


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Agricultural Report on Georgia #30

External Merchandise of Georgia



YEAR	MONTH	EXPORTS	IMPORTS	TURNOVER	BALANCE
2020	YEAR	3 343.4	8 052.9	11 396.3	-4 709.4
	January	267.9	645.4	913.3	-377.5
	February	262.6	704.5	967.2	-441.9
	March	249.5	670.9	920.4	-421.4
	April	222.5	478.4	700.9	-256.0
	May	234.4	529.4	763.8	-295.0
	June	268.5	609.0	877.4	-340.5
	July	274.6	727.6	1 002.1	-453.0
	August	292.5	664.9	957.3	-372.4
	September	331.3	750.2	1 081.5	-418.9
	October	312.9	729.3	1 042.2	-416.4
	November	301.1	721.3	1 022.5	-420.2
2021*	December	325.7	822.0	1 147.6	-496.3
	YEAR	4 242.3	10 103.8	14 346.1	-5 861.5
	January	224.5	561.7	786.2	-337.2
	February	267.7	648.4	916.1	-380.7
	March	325.7	775.0	1 100.7	-449.3
	April	377.7	756.3	1 134.0	-378.6
	May	340.0	770.1	1 110.1	-430.1
	June	350.7	863.7	1 214.4	-513.1
	July	386.3	882.6	1 268.9	-496.2
	August	335.1	868.0	1 203.1	-532.9
	September	373.6	958.3	1 331.9	-584.7
	October	411.2	936.1	1 347.4	-524.9
2022*	November	430.4	1 033.3	1 463.7	-603.0
	December	419.5	1 050.2	1 469.6	-630.7
	YEAR	760.4	1 778.9	2 539.2	-1 018.5
	January	331.3	786.2	1 117.5	-454.8
	February	429.0	992.7	1 421.7	-563.7

Governmental, Non-governmental grants and subsidies of Agriculture

State Programme of Dairy Modernization and Market Access (DiMMA)
* New applications for the program can be obtained only in the field of veterinary medicine and artificial insemination throughout Georgia.
Receipt of new applications for other components of the program is suspended from June 14, 2020.
Registration for the state program of "Dairy Modernization and Market Access" (DiMMA) has been completed. More than 1,000 applications have been received from Imereti, Kakheti, Samegrelo and Zemo Svaneti, Samtskhe-Javakheti, Racha-Lechkhumi and Kvemo Svaneti and Kvemo Kartli regions.
The program is implemented within the framework of the Agricultural Anti-Crisis Plan with the financial support of the International Fund for Agricultural Development (IFAD).
Applications are accepted electronically through the website of the Rural Development Agency. www.rda.gov.ge
After determining the compliance of the submitted application, the potential beneficiary must submit a business plan / business model and financial participation documents. After the evaluation of the business plan / business model, the issue of moving to the next stage will be discussed at the meeting of the co-financing committee, where the final decision on the co-financing of the project will be made. Applications will be considered according to the order of the submission date. The meetings of the Co-financing Committee will be held monthly from July 15 of the current year



Agricultural commodities

Grains						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C1:COM Corn (CBOT)	USD/bu.	740.25	-14.25	-1.89%	May 2022	12:37 PM
W1:COM Wheat (CBOT)	USD/bu.	1,062.50	-35.50	-3.23%	May 2022	12:36 PM
O1:COM Oats (CBOT)	USD/bu.	693.75	+13.50	+1.98%	May 2022	12:31 PM
RR1:COM Rough Rice (CBOT)	USD/cwt	15.57	-0.14	-0.89%	May 2022	12:36 PM
S1:COM Soybean (CBOT)	USD/bu.	1,663.00	-5.50	-0.33%	May 2022	12:36 PM
SM1:COM Soybean Meal (CBOT)	USD/T.	476.10	+2.00	+0.42%	May 2022	12:36 PM
BO1:COM Soybean Oil (CBOT)	USD/lb.	72.09	-2.54	-3.40%	May 2022	12:36 PM
RS1:COM Canola (ICE)	CAD/MT	1,327.40	-2.80	-0.26%	May 2022	12:36 PM
Softs						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
Cc1:COM Cocoa (ICE)	USD/MT	2,540.00	+36.00	+1.44%	May 2022	12:40 PM
KC1:COM Coffee C (ICE)	USD/lb.	218.95	+2.85	+1.32%	May 2022	12:40 PM
SB1:COM Sugar #11 (ICE)	USD/lb.	18.97	+0.28	+1.50%	May 2022	12:39 PM
JO1:COM Orange Juice (ICE)	USD/lb.	147.20	+2.60	+1.80%	May 2022	12:38 PM
CT1:COM Cotton #2 (ICE)	USD/lb.	126.83	+4.97	+4.08%	May 2022	12:40 PM
OL1:COM Wool (ASX)	--	--	--	--	N/A	--
LB1:COM Lumber (CME)	USD/1000 board feet	1,194.00	-13.00	-1.08%	May 2022	12:39 PM
OR1:COM Rubber (Singapore)	USD/kg	171.50	+0.60	+0.35%	May 2022	5:59 AM
DL1:COM Ethanol (CBOT)	USD/gal.	2.16	0.00	0.00%	Apr 2022	3/17/2022
Livestock						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
LC1:COM Live Cattle (CME)	USD/lb.	137.15	+1.23	+0.90%	Jun 2022	12:40 PM
FC1:COM Feeder Cattle (CME)	USD/lb.	168.00	+2.13	+1.28%	May 2022	12:39 PM
LH1:COM Lean Hogs (CME)	USD/lb.	116.13	-0.85	-0.73%	Jun 2022	12:40 PM

Economic Data on Georgia								
GDP								
	2019	I 20*	II 20*	III 20*	IV 20*	2020*	I 21*	II 21*
GDP at Current Prices, Bn ₾	49.3	11.1	10.8	13.4	14	49.3	11.5	15.5
GDP at Constant 2015 prices, Bn ₾	40.3	9.2	8.7	9.7	10.1	37.6	8.8	11.2
GDP Real Growth, Percentage	5	3.3	-14.5	-8.8	-7.4	-8.8	-4.1	28.9
GDP Deflator Change, Percentage	5.2	6.6	5.5	7.9	8.6	7.3	7.9	11.6
GDP Per Capita (At Current Prices), ₾	3 239.4	2 983.3	2 897.6	3 600.1	3 753.0	13 234.1	3 081.3	4 161.4
GDP Per Capita (At Current Prices), \$	4 696.2	1 019.3	923.1	1 160.6	1 147.5	4 255.7	929.7	1 250.7
GDP at Current Prices, Bn US Dollars	7.5	3.8	3.4	4.3	4.3	15.8	3.5	4.7
Share of Agriculture in GDP, Percentage	7.4	TBA				8.4	TBA	TBA
Population & Unemployment								
	2019	I 20	II 20	III 20	IV 20	I 21	II 21	III 21
Economically Active Population (Workforce), Thousand People	1572.8	1545.2	1515	1528.9	1505.7	1447.2	1555.1	1592
Employed, Thousand People	1295.9	1282.7	1237.6	1269.11	1197.9	1125.7	1214.6	1281.2
Unemployed, Thousand People	276.9	262.6	277.4	259.8	307.8	317.5	344.6	310.8
Unemployment Rate, Percentage	17.6	18.3	18.3	17	20.4	21.9	22.1	19.5
Consumer Price Index (Inflation)								
	2015	2016	2017	2018	2019	2020		
Annual Average to the Annual Average	104	102.1	106	102.6	104.9	105.2		
December over Previous Year's December	104.9	101.8	106.7	101.5	107	102.4		

What are the business expectations - BAG survey

The Business Association of Georgia (BAG) Index is a joint product of the Business Association of Georgia, PMC Research Center and the ifo Institute for Economic Research. The BAG Index summarizes the BAG Business Climate, BAG Employment Barometer and BAG Investment Environment, which are calculated according to the assessments of the top managers of BAG member businesses and companies in their corporate group1 . PMC Research Center publishes the BAG Index on a quarterly basis.

For more information : <https://bag.ge/file.helix?i=473016c1-b4e2-4210-99b9-eab4b792d40c&r=P>



Graph 1: BAG Business Climate, Business Expectation, and Present Business Situation

Georgia-Ukraine: TOP-10 Exporter and Importer Companies

Bm.ge requested from Geostat the list of companies that export from Georgia to Ukraine and are also engaged in import from Ukraine.

TOP-10 Exporting Companies:

1. Kakhetian Traditional Winery Ltd.
2. Caucasus Auto Import Ltd.
3. Alcoholic Beverage Factory Ltd.
4. Georgian Manganese Ltd.
5. Firm Cheli Ltd.
6. Legometal Ltd.
7. IDS Borjomi Georgia Ltd.
8. JSC Rustavi Nitrogen
9. GreenNet Ltd.
10. CAUCASIAN ALCO Ltd.

TOP-10 Importing Companies: 1. JSC T&R Distribution2. Wimm-Bill-Dann Georgia Ltd.3. Elise Group Ltd.4. GRC Ltd.5. Caucas Metal Ltd.6. Rothen Georgia Ltd.7. Philip Morris Georgia Ltd.8. Mondeliz Georgia Ltd.9. JTI Caucasus Ltd.10. Universal Trading Ltd.Note: Importing and exporting companies are not sorted by rating.

For more: <https://bm.ge/ka/article/saqartvelo-ukraina-top-10-eqsportiori-da-importiori-kompania/104094/>

Blueberry processing plant "Agrolane" will leave the Russian market.

As Giorgi Ghviniashvili, the director of the company, told bm.ge, it will not be difficult for the company to replace the Russian market, because "Agrolane" exports blueberries mainly to the Gulf countries and will redistribute the amount it used to sell in Russia to these markets.

Giorgi Ghviniashvili also notes that demand from Gulf countries (Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar) has increased, and although the cost of blueberries in Russia is a few dollars more, the company will not suffer financial losses due to the suspension of exports.

Note: "Agrolane" has been operating in the market since 2016. The company processed 150 tons of blueberries last season and sold about 75% of its products for export.

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