

3/5/2021

Weekly Highlights

Real GDP shrinks 11.5% y/y in January 2021
Georgia's economic contraction widened to 11.5% y/y in January 2021, after a 7.9% y/y contraction in previous month. This is explained by lockdown measures plus a two-week holidays (January 1-15), along with last year's high base. In January, positive growth was posted in information & communication and financial & insurance activities, while growth was down in construction, transportation, manufacturing, accommodation and food services, real estate and trade. Monthly rapid estimates are based on VAT turnover, fiscal and monetary statistics.

S&P Global affirms Georgia at BB
On 26 February 2021, S&P affirmed Georgia's sovereign credit rating at BB. The Outlook was revised to Negative from Stable, reflecting risks to Georgia's ability to generate adequate FX earnings to service its sizable external liabilities over forecast horizon, slow recovery in the tourism sector and weak medium-term outlook for foreign investment inflows. Based on S&P, Georgia's ratings are supported by Georgia's relatively strong institutional arrangements when compared regionally, its floating exchange rate regime and the availability of timely, concessional financing from international financial institutions. S&P forecasts real GDP growth of 4.0% in 2021 in Georgia, supported by the relaxation of containment measures and continuation of some government support measures into 2021.

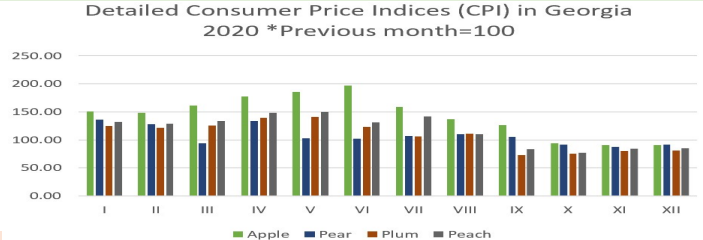
Exchange rate- As a result of March 4th, the value of one dollar became 3.3190 GEL and the value of one euro became 3.9977 GEL.

COVID 19 - CONFIRMED CORONAVIRUS CASES - 271872 , WITHIN THE PAST 24 HOURS - 133; RECOVERED - 266081 , WITHIN THE PAST 24 HOURS - 276; FATAL OUTCOME - 3553, WITHIN THE PAST 24 HOURS - 12.

Articles of the Week

Georgian kiwi has entered the Japanese market
With the help of the Export Promotion Program of the Agency Produce in Georgia and with the assistance of the Embassy of Georgia in Japan, Aromaproducts Ltd. exported Georgian kiwi to the Japanese market. According to the agency, a Japanese delegation will arrive in Georgia to increase the export of Georgian products to Japan. The Japanese side also intends to launch an active campaign to promote Georgia as an interesting business destination. The agency will be involved in the process of supporting this campaign together with the Embassy of Georgia in Japan. Aromaproducts Ltd. On February 21-25, 2021, participated in the exhibition together with other Georgian brands - Gulfood 2021, organized by the Export Direction Agency of the Produce in Georgia and supported by The USAID Agriculture Program. In 2020, Georgia exported kiwi only to Armenia, Russia and Japan. 304.26 tons of fresh kiwi worth 200.32 thousand dollars were sold in Armenia under the commodity code 081050, 79.97 tons of kiwi were exported to Russia with 103.45 thousand dollars. **Source:**<https://report.ge/economics/kartuli-kivi-iaponur-bazarze-gavida/>

Inflation statistics of Agricultural products

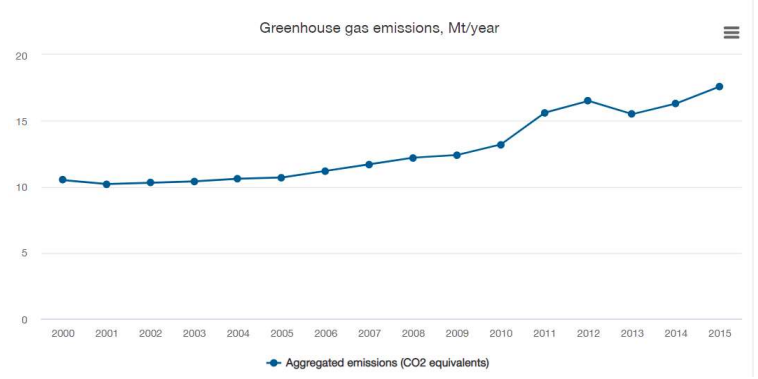


Import/Export of Agri products

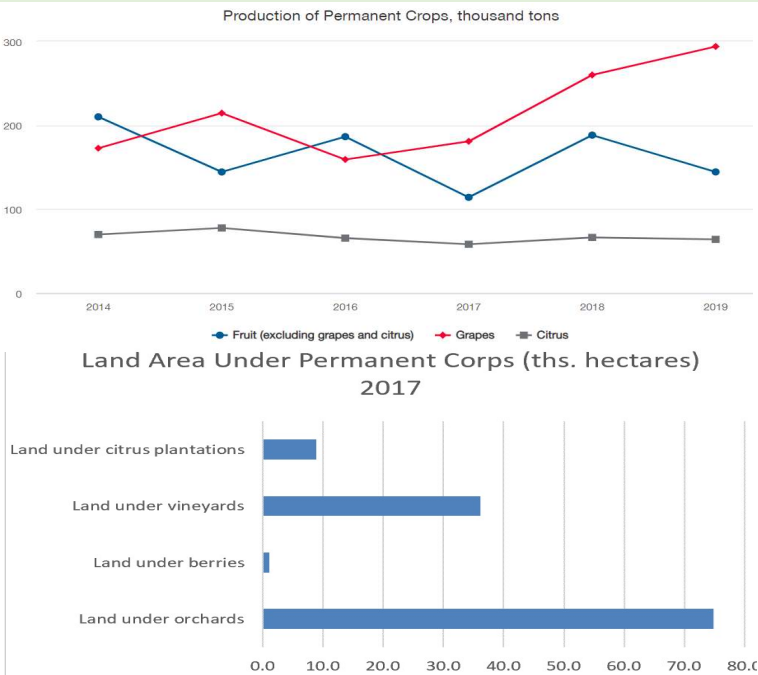
Export/Import of Georgia according to the positions of the Standard Classification of International Trade (SITC) 2020 *thousands of \$

EXPORT					IMPORT					Trade balance				
Products	2017	2018	2019	2020*	2017	2018	2019	2020*		2017	2018	2019	2020*	
Pears and quinces, fresh	226.78	265.89	216.58	360.33	879.8	765.76	686.06	582.91		(653.0)	(499.9)	(469.5)	(222.6)	
Apricots, cherries, peaches (including nectarines), plums & cloves Fresh	4355.6	8445.4	12932.9	24170	993.4	1819.4	965.41	802.76		3,362.2	6,626.1	11,967.4	23,366.9	
Strawberries, raspberries, blackberries, mulberries, Logan berries, blueberries and other berries of the genus Vaccinium, fresh	676.95	472.4	1077.25	3858.9	279.6	198.18	544.93	391.36		397.3	274.2	532.3	3,467.5	
Apple, Fresh	1064.4	1286.9	4593.42	5097.9	2871	5374.9	1884.3	4491.4		(1,806.5)	(4,088.0)	2,709.1	606.5	

Environmental indicators



Agricultural statistics



Governmental, Non-overnmental grants and subsidies of Agriculture

Agroinsurance

The Agricultural insurance program was put into force on September 1, 2014 and is purposed to develop the insurance market in agricultural sector, promote agricultural activities, retain the income for the individuals with the occupation of the mentioned activities and reduce risks. The program is implemented by non-commercial legal entity "Rural Development Agency". The Agency concludes contracts with the relevant insurance companies licensed under the rules envisaged by the legislation of Georgia in order to implement the project. The Agency also carries out insurance premium subsidies and their monitoring based on the above mentioned contracts. Interested beneficiaries will be able to purchase insurance policy from 8 insurance companies operating in Georgia.

According to the programme beneficiary can insure the land parcel up to 5 hectares. Each insurer of the land parcel in case of cereals 30 hectares, (This restriction does not apply to agricultural cooperatives) will receive 70% - co-financing for each crop envisaged under the program and 50% in case of vine (In case of agricultural cooperatives, the amount of insurance premium subsidies by the Agency per insurer/beneficiary shall not exceed 50 000 GEL). In addition, the insurer may have insured cereals crops as well as other crops at the same time. According to the program, the fixed insurance tariff will be determined.

Only registered land plots will be insured.

For more information visit : <http://rda.gov.ge/projects/read/agroinsurance/4:parent>

Agricultural Report on Georgia #2

Agricultural commodities

Grains						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
C11COM Corn (CBOT)	USD/bu.	532.50	-2.75	-0.51%	May 2021	2:19 PM
W11COM Wheat (CBOT)	USD/bu.	651.00	-5.00	-0.76%	May 2021	2:19 PM
O11COM Oats (CBOT)	USD/bu.	370.50	+4.50	+1.23%	May 2021	2:19 PM
RR1COM Rough Rice (CBOT)	USD/cwt	13.39	-0.07	-0.52%	May 2021	2:19 PM
S11COM Soybean (CBOT)	USD/bu.	1,410.00	+2.50	+0.18%	May 2021	2:19 PM
SMLCOM Soybean Meal (CBOT)	USD/T.	416.30	-2.50	-0.60%	May 2021	2:19 PM
BO1COM Soybean Oil (CBOT)	USD/lb.	50.71	+0.93	+1.87%	May 2021	2:19 PM
RS1COM Canola (ICE)	CAD/MT	615.90	+5.30	+0.87%	Nov 2021	2:19 PM

Softs						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
CC1COM Cocoa (ICE)	USD/MT	2,825.00	-32.00	-1.20%	May 2021	1:29 PM
KC1COM Coffee 'C' (ICE)	USD/lb.	132.15	-0.65	-0.49%	May 2021	1:30 PM
SB1COM Sugar #11 (ICE)	USD/lb.	16.26	+0.12	+0.74%	May 2021	12:59 PM
JO1COM Orange Juice (ICE)	USD/lb.	111.10	-0.25	-0.22%	May 2021	1:59 PM
CT1COM Cotton #2 (ICE)	USD/lb.	87.14	-1.31	-1.48%	May 2021	2:19 PM
OL1COM Wool (ASX)	--	--	--	--	N/A	--
LB1COM Lumber (CME)	USD/1000 board feet	866.00	+21.30	+2.52%	May 2021	3:44 PM
OR1COM Rubber (Singapore)	USD/kg	173.70	-2.80	-1.59%	May 2021	12:00 AM
DL1COM Ethanol (CBOT)	USD/gal.	1.76	-0.05	-2.98%	Apr 2021	3/3/2021

Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
LC1COM Live Cattle (CME)	USD/lb.	118.60	-0.80	-0.67%	Apr 2021	2:04 PM
FC1COM Feeder Cattle (CME)	USD/lb.	139.98	-2.12	-1.50%	Apr 2021	2:04 PM
LH1COM Lean Hogs (CME)	USD/lb.	87.98	-0.75	-0.85%	Apr 2021	2:04 PM

Economic Data on Georgia

GDP									
	2015	2016	2017	2018	2019	I 20*	II 20*	III 20*	IV 20*
GDP at Current Prices, Bn €	33.9	35.8	40.8	44.6	49.3	11.1	11.1	13.3	
GDP at Constant 2015 prices, Bn €	33.9	34.9	36.6	38.4	40.3	9.1	8.8	9.8	
GDP Real Growth, Percentage	3	2.9	4.8	4.8	5	2.3	-13.2	-5.6	
GDP Deflator Change, Percentage	5.8	2.6	8.5	4.4	5.2	7.1	7.2	5.9	
GDP Per Capita (At Current Prices), €	9 109.4	9 613.9	10 933.9	11 968.0	13 239.4	2 974.3	2 990.2	3586.7	
GDP Per Capita (At Current Prices), \$	4 012.6	4 062.1	4 358.5	4 722.0	4 696.2	1 016.3	952.9	1156.2	
GDP at Current Prices, Bn US Dollars	14.9	15.1	16.2	17.6	17.7	3.8	3.6	4.3	
Share of Agriculture in GDP, Percentage	8.8	8.3	7.2	7.8	7.4			TBD	

Population & Unemployment									
	2015	2016	2017	2018	2019	I 20	II 20	III 20	IV 20
Economically Active Population (Workforce), Thousand People	1675.6	1653.8	1641.2	1605.2	1572.8	1545.2	1515	1526.9	
Employed, Thousand People	1386.5	1294.5	1286.9	1295.9	1295.9	1262.7	1237.6	1266.31	
Unemployed, Thousand People	367.2	359.2	354.5	309	276.9	282.6	277.4	259.8	
Unemployment Rate, Percentage	21.9	21.7	21.6	19.2	17.6	18.3	18.3	17	

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

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Review of Agricultural product- Onion

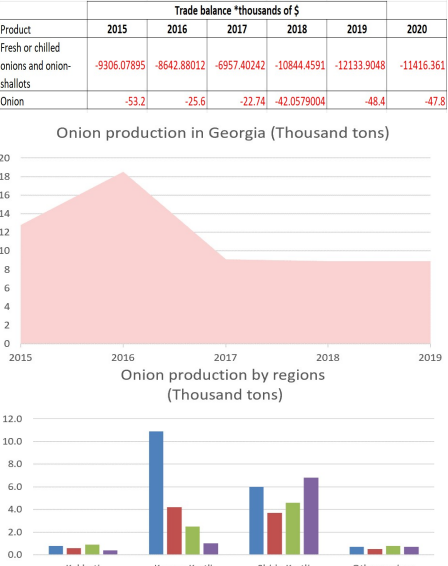
The onion (*Allium cepa* L., from Latin *cepa* "onion"), also known as the bulb onion or common onion, is a vegetable that is the most widely cultivated species of the genus *Allium*. Its close relatives include the garlic, scallion, shallot, leek, chive, and Chinese onion. The onion plant has a fan of hollow, bluish-green leaves and its bulb at the base of the plant begins to swell when a certain day-length is reached. The bulbs are composed of shortened, compressed, underground stems surrounded by fleshy modified scale (leaves) that envelop a central bud at the tip of the stem. In the autumn (or in spring, in the case of overwintering onions), the foliage dies down and the outer layers of the bulb become dry and brittle. The crop is harvested and dried and the onions are ready for use or storage. The crop is prone to attack by a number of pests and diseases, particularly the onion fly, the onion eelworm, and various fungi which can cause rotting. Some varieties of *A. cepa*, such as shallots and potato onions, produce multiple bulbs.

Onion

Scientific classification

- Kingdom: Plantae
- Clade: Tracheophytes
- Clade: Angiosperms
- Clade: Monocots
- Order: Asparagales
- Family: Amaryllidaceae
- Subfamily: Allioideae
- Genus: *Allium*
- Species: *A. cepa*

From Wikipedia, the free encyclopedia



There are favorable soil-climatic conditions for onion production in Georgia. Common varieties are characterized by adaptation to local soil-climatic conditions, quite high resistance to diseases and good taste characteristics. Most farmers sell part of their produce during the harvest season and keep some for a higher price during the off-season. The supply of local onions to the market starts in June and reaches its peak in July-August. Shida Kartli red onion is mainly stored for off-season sale. During the non-seasonal period, onion imports increase, the price of which is higher than the local one.

Overview of Global Cucumber Market (www.tridge.com)

Rank	Country	Country Share	Export Value USD	1-Year Growth in Value %	3-Year Growth in Value %	Weekly Domestic Price Change	Monthly Domestic Price Change	Harvesting Seasonality
1	Mexico	19.65%	351.72M	-2.76%	-5.92%			Low Season
2	United States	13.97%	250.01M	-13.19%	+13.72%	+0.6%	+0.04%	-
3	Netherlands	9.57%	171.37M	-78.43%	-67.96%	-1.24%	+7.36%	High Season
4	Spain	8.61%	154.10M	-27.81%	+15.12%	-1.71%	+0.3%	-
5	Pakistan	6.93%	124.08M	+84.17%	+941.65%	-9.42%	-16.87%	Low Season
6	New Zealand	5.83%	104.37M	-11.81%	+26.01%			High Season
7	Peru	5.74%	102.77M	+16.48%	+45.92%	+0.52%	-3.22%	-
8	China	5.45%	97.50M	-63.89%	-80.8%			High Season
9	Egypt	3.03%	54.26M	-77.87%	-73.96%		-6.25%	High Season
10	Germany	2.55%	45.66M	-3.14%	+12.62%	+2.6%	+3.64%	-

Company description

Planta is a premium quality fruit and vegetable created for you. Each fruit of Planta useful and delicious products comes to you carefully selected, selected, cleaned and conveniently packaged. On October 26, 2016, the Georgian Co-Investment Fund presented to the public the greenhouse complex Planta equipped with the largest and latest European technologies in Georgia. Today, Planta vegetable crops can be purchased in all major supermarkets and fruit and vegetable stores in Tbilisi. Some of the products are also presented in the export market, in particular in the Russian Federation. Planta is a cucumber exporting company in Georgia. It is noteworthy that within the project, new jobs were created in Gardabani Municipality with the support of local production.

Assets: 15,878,000 GEL (2019) Revenues: 16,751,000 GEL (2019) P/L: -26,444,000 (2019)

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