

5/3/2022

Weekly Highlights

PRODUCER PRICE INDEX FOR INDUSTRIAL PRODUCTS IN GEORGIA MARCH 2022

The prices for products from mining and quarrying increased by 10.1 percent compared to February 2022, resulting in a 0.78 percentage point contribution to the overall monthly PPI change. In the same period the prices for manufactured products increased by 3.4 percent, contributing 2.76 percentage points to the monthly index change. Within the group a noteworthy price increase was registered for food products (3.3 percent). Besides, the prices increased for electricity, gas, steam and air conditioning by 1.8 percent, contributing 0.15 percentage points to the monthly index change.

The annual PPI rate was mainly affected by price changes for the following products:

- Products from mining and quarrying: the prices were 13.0 percent higher, contributing 1.01 percentage points to the overall annual index change. Within the group the prices were higher for the subgroup of metal ores (9.6 percent);
- Manufactured products: the prices increased by 24.3 percent, contributing 19.08 percentage points to the overall annual index growth. There was a notable increase in the prices for the following subgroups: food products (14.3 percent), chemicals and chemical products (188.5 percent) and basic metals (61.2 percent);
- Electricity, gas, steam and air conditioning: the annual price decrease amounted to 7.9 percent, which contributed -0.95 percentage points to the annual index change;
- Water supply, sewerage, waste management and remediation services: the annual price increase amounted to 6.7 percent, which contributed 0.17 percentage points to the annual index growth.

Exchange rate- As a result of May 3rd, the value of one dollar became 3.0590 GEL and the value of one euro became 3.2190 GEL.

The EU and FAO have launched an agricultural grant program

The Food and Agriculture Organization of the United Nations (FAO) is announcing the fifth phase of a grant competition in support of agricultural initiatives under the European Union's ENPARD program.

“Timely registration is important because applications will undergo a technical assessment based on the submission date and availability of funds.

In the last two years, about 250 farmers, cooperatives and small and medium-sized businesses have received agricultural grants with a total budget of GEL 16.3 million. Capital investment co-financing grants aim to increase and strengthen crop, production and sector resilience, create additional jobs and prevent food supply instability. Agricultural grants are one of the components of the € 12 million project - Improving the Agricultural Sector in Georgia, which is being implemented in Georgia under the third phase of FAO ENPARD.

The European Union supports agriculture and rural development in Georgia under the ENPARD program. The program has been implemented since 2013 and its total budget is 234.5 million euros. "Its goal is to strengthen rural economic opportunities and reduce poverty in Georgia," the FAO said in a statement.

Source: <https://bm.ge/ka/article/evrokavshiris-da-fao-s-sasoflo-sameurneo-grantebis-programa-daiwyo/106813/>

External merchandise trade tendencies of Georgia in January-March 2022 (Preliminary)

INDICATORS OF EXTERNAL MERCHANDISE TRADE STATISTICS IN JANUARY- MARCH, 2022		
INDICATOR	MIL. US DOLLARS	CHANGE (YOY, %)
Exports of goods (FOB)	1 171.8	43.3
Imports of goods (CIF)	2 693.2	35.7
External merchandise trade turnover	3 865.0	37.9

RAPID ESTIMATES OF ECONOMIC GROWTH, MARCH 2022

The estimated real Gross Domestic Product (GDP) growth rate in March 2022 amounted to 10.6 percent YoY and the average real GDP growth for the first quarter of 2022 equaled to 14.4 percent YoY.

In March 2022 the estimated real growth compared to the same period of the previous year was observed in the following activities: Electricity, gas, steam and air conditioning supply, Transportation and storage, Hotels and restaurants, Construction, Arts, entertainment and recreation, Mining and quarrying and Manufacturing

INDICATORS OF PRICE STATISTICS		
INDICATOR	YOY	MOM
Consumer Price Index (CPI)	111.8	102.5
Producer Price Index (PPI) for industrial products	119.3	103.8

PRODUCER PRICE INDEX FOR INDUSTRIAL PRODUCTS IN GEORGIA- MARCH 2022

PRODUCER PRICE INDEX FOR INDUSTRIAL PRODUCTS IN GEORGIA MARCH 2022					
CODE	GROUPS	OVER FEBRUARY 2022	CONTRIBUTIONS* TO MONTHLY CHANGES	OVER MARCH 2021	CONTRIBUTIONS* TO MONTHLY CHANGES
	TOTAL	103.8	3.76	119.3	19.32
B	Mining and quarrying	110.1	0.78	113.0	1.01
05	Coal and lignite	100.0	0.00	114.9	0.02
06	Crude petroleum and natural gas	87.6	-0.02	151.6	0.11
07	Metal ores	112.7	0.78	109.6	0.67
08	Other mining and quarrying products	101.4	0.02	115.4	0.22
C	Manufactured products	103.4	2.76	124.3	19.08
10	Food products	103.3	0.93	114.3	3.11
11	Beverages	102.6	0.47	100.4	0.14
12	Tobacco products	100.0	0.00	100.0	0.00
13	Textiles	105.9	0.02	118.1	0.06
14	Wearing apparel	99.3	-0.01	103.3	0.05
15	Leather and related products	106.0	0.01	114.9	0.02
16	Wood and of products of wood and cork, except furniture; articles of straw and plating materials	104.9	0.03	134.1	0.28
17	Paper and paper products	108.0	0.07	131.0	0.29
18	Printing and recording services	100.0	0.00	89.7	-0.12
19	Coke and refined petroleum products	101.6	0.01	120.5	0.12
20	Chemicals and chemical products	101.9	0.06	288.5	6.42
21	Basic pharmaceutical products and pharmaceutical preparations	111.7	0.18	96.7	-0.05
22	Rubber and plastic products	103.6	0.09	112.9	0.40
23	Other non-metallic mineral products	102.7	0.24	111.6	1.11
24	Basic metals	107.3	0.61	161.2	6.22
25	Fabricated metal products, except machinery and equipment	102.7	0.06	127.4	0.65
27	Electrical equipment	94.7	-0.03	133.3	0.18
28	Machinery and equipment n.e.c.	100.0	0.00	116.3	0.02
30	Other transport equipment	100.0	0.00	76.8	-0.11
31	Furniture	101.5	0.02	112.6	0.17
32	Other manufactured goods	100.0	0.00	100.1	0.00
33	Repair and installation services of machinery and equipment	100.0	0.00	110.3	0.12
D	Electricity, gas, steam and air conditioning	101.8	0.15	92.1	-0.95
35	Electricity, gas, steam and air conditioning	101.8	0.15	92.1	-0.95
E	Water supply, sewerage, waste management and remediation services	103.4	0.08	106.7	0.17
36	Natural water, water treatment and supply services	100.0	0.00	101.8	0.03
38	Waste collection, treatment and disposal services; materials recovery services	110.0	0.08	116.6	0.14

* Individual contributions may not sum up to the total changes in the index due to rounding.

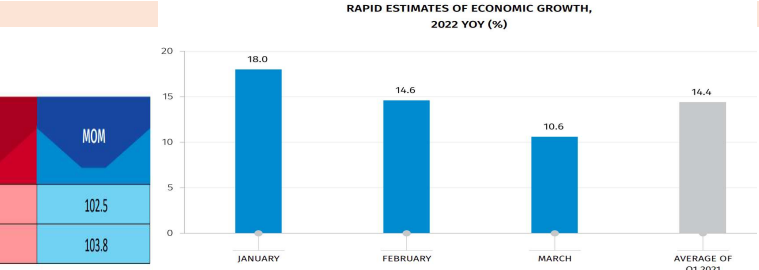
Governmental, Non-governmental grants and subsidies of Agriculture

The Food and Agriculture Organization of the United Nations (FAO) is announcing the fifth phase of a grant competition in support of agricultural initiatives under the European Union's ENPARD program.

The initiative aims to improve access to finance, services and manufacturing equipment for farmers, rural households, cooperatives, and small and medium-sized enterprises. The program should help increase the competitiveness of the agricultural sector and improve the livelihoods of rural people.

The grant can be applied for by those whose farm or business operates in one of the listed municipalities: Lagodekhi, Dedoplistskaro, Tetrtskaro, Akhalkalaki, Borjomi, Kazbegi, Keda or Khulo. These are the target municipalities where rural development projects are implemented under the ENPARD program. The program envisages co-financing of zero tillage sowing for grain producers, as well as a drip irrigation system and tractor set. In addition, farmers in Gori Municipality will be able to request both co-sowing of zero grain sowing and anti-hail nets for apple orchards. With the purchase of drip irrigation systems and zero soil sowing, the program will provide 60 per cent co-financing, while tractor kits and anti-hail nets will be subsidized with 40 per cent.

Detailed information about the program, a list of equipment and its suppliers and information required for grant registration are available on the website: www.fao.grants.ge



Agricultural Report on Georgia #33

Agricultural commodities						
Grains						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C15COM Corn (CBOT)	USD/bu.	803.50	-10.00	-1.23%	Jul 2022	2:19 PM
W15COM Wheat (CBOT)	USD/bu.	1,055.50	-0.25	-0.02%	Jul 2022	2:19 PM
O15COM Oats (CBOT)	USD/bu.	654.00	+3.75	+0.58%	Jul 2022	2:14 PM
RR1COM Rough Rice (CBOT)	USD/cwt	17.17	-0.31	-1.77%	Jul 2022	2:18 PM
S15COM Soybean (CBOT)	USD/bu.	1,645.25	-39.50	-2.34%	Jul 2022	2:19 PM
SM1COM Soybean Meal (CBOT)	USD/T.	430.90	-1.40	-0.32%	Jul 2022	2:19 PM
B01COM Soybean Oil (CBOT)	USD/lb.	80.09	-4.09	-4.86%	Jul 2022	2:19 PM
RS1COM Canola (ICE)	CAD/MT	1,064.00	-40.30	-3.65%	Nov 2022	2:19 PM

Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C01COM Cocoa (ICE)	USD/MT	2,604.00	+37.00	+1.44%	Jul 2022	12:00 AM
K01COM Coffee 'C' (ICE)	USD/lb.	215.90	-6.20	-2.79%	Jul 2022	12:00 AM
S01COM Sugar #11 (ICE)	USD/lb.	18.85	-0.30	-1.57%	Jul 2022	12:00 AM
J01COM Orange Juice (ICE)	USD/lb.	175.75	-4.65	-2.58%	Jul 2022	12:00 AM
CT1COM Cotton #2 (ICE)	USD/lb.	150.81	+5.18	+3.56%	Jul 2022	12:00 AM
OL1COM Wool (ASX)	--	--	--	--	N/A	--
LB1COM Lumber (CME)	USD/1000 board feet	915.00	+3.00	+0.33%	Jul 2022	4:04 PM
OR1COM Rubber (Singapore)	USD/kg	163.40	+4.20	+2.64%	Jul 2022	4/29/2022
DL1COM Ethanol (CBOT)	USD/gal.	2.16	0.00	0.00%	May 2022	12:00 AM

Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
L01COM Live Cattle (CME)	USD/lb.	135.20	+2.55	+1.92%	Jun 2022	2:04 PM
F01COM Feeder Cattle (CME)	USD/lb.	174.08	+5.80	+3.45%	Aug 2022	2:04 PM
LH1COM Lean Hogs (CME)	USD/lb.	104.98	-1.40	-1.32%	Jun 2022	2:04 PM

Economic Data on Georgia									
GDP									
	2019	I 20 ^a	II 20 ^a	III 20 ^a	IV 20 ^a	2020 ^a	I 21 ^a	II 21 ^a	
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	7.5	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	1 180.6	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 ^a	II 20 ^a	III 20 ^a	IV 20 ^a	I 21 ^a	II 21 ^a	III 21 ^a	
Economically Active Population (Workforce), Thousand People	1572.8	1545.2	1515	1528.9	1505.7	1447.2	1559.1	1592	
Employed, Thousand People	1295.9	1282.7	1237.6	1289.11	1197.9	1125.7	1214.6	1281.2	
Unemployed, Thousand People	278.9	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	108	102.8	104.9	105.2			
December over Previous Year's December	104.9	101.8	106.7	101.5	107	102.4			

Another local company was exported with the support of the Bank of Georgia

Bank of Georgia continues to support businesses engaged in Agriculture. In partnership with the bank in the Chkhorotsku district, in the village of Zumi, cranberry orchards were planted on 10 hectares of the area. The 175,000 GEL investment issued by the bank was spent on purchasing the necessary equipment and inventory, setting up a refrigerator farm and planting blueberries. The products are sold in the European market.

25-30 people are involved in the seasonal activities. The volume of sales is equal to 210 000 GEL.

"Within the framework of the partnership, we were given the opportunity to double the scale of the gardens and improve the technical base. Also, we were able to arrange a refrigerator farm, which protects the products from spoilage. In the future, we plan to further expand the blueberry orchards, "- said the head of the farm, Gia Lemonjava.

In order to support the agricultural sector, the Bank of Georgia continues to actively support projects and initiatives. We are pleased that with our support another local business has been able to expand its own farm and export products. By offering a variety of banking products in the field of agro, our goal is to make it much easier for customers to access the necessary financial resources, develop the farm and produce quality products of the export market. We will actively continue and will continue to support businesses in this direction, "- said Alexander Melkadze, Head of Banking Services at the Bank of Georgia.

Read more about Bank of Georgia agro products at the following link: <https://bit.ly/3Lvt3ag>

Herbs Export Markets and Exporters

In the first three months of 2022, Georgia sold 1,630 tons of herbs worth \$ 1.6 million in eight countries. Export markets of herbs and the value and volumes of herbs sold in this direction in 3 months are as follows:

1. Russia - 615.5 thousand dollars, 749 tons;
2. Ukraine - 319.5 thousand dollars, 398 tons;
3. Moldova - 252.9 thousand dollars, 156 tons;
4. Romania - 158.3 thousand dollars, 135 tons;
5. Armenia - 125 thousand dollars, 109 tons;
6. Greece - 62 thousand dollars, 27 tons;
7. Latvia - 44 thousand dollars, 13 tons;
8. Poland - 41 thousand dollars, 40 tons.

The TOP-10 of the companies exporting herbs in January-March of the current year are as follows: Mtm Group Ltd; Agro Export Ltd; Nami Ltd; Begi Ltd; Frustar Ltd; Royal Village Ltd; Isogrin Ltd; Legend Ltd.; Nats Food Senaki Ltd; "GEO GROUP" Ltd.

As for last year's exports, in 2021 the country earned \$ 4 million from exporting herbs and exported a total of 3,985 tonnes of herbs in 9 countries. These numbers are higher than the 2020 data and are almost analogous to 2019 (2020 - \$ 3.2 million, 3,166 tons; 2019 - \$ 3.9 million, 3,971 tons). Russia and Ukraine have been the main export markets in recent years.

Source: bm.ge

The company "Cherry.ge" has planted a sweet cherry garden in Gori with an investment of 1,500,000 GEL

The company "Cherry.ge" has planted an intensive garden of sweet cherries in Gori. As Giorgi Meladze, the founder of the company, told bm.ge, an investment of half a million GEL has been invested in the cultivation of the garden and it presents six species of Italian varieties of cherries.

"Before we took the first steps, we studied the market and as it turned out, sweet cherries are the least developed type of fruit in Georgia, so we decided to cultivate these gardens. We are expecting the first harvest this year, in July. At first, this number will not be much, but in three years we will be able to get about 5 tons of cherries per hectare, "- said Giorgi Meladze.

The garden is equipped with modern irrigation systems and anti-hail equipment, which was built a year ago in the village of Mejrvrskhevi in Gori district.

"It is planned to install a water cooling system in the future, which will allow us to store fruit and sell it off-season, "- said Giorgi Meladze.

Cherry.ge plans to sell sweet cherry in European countries as well as in the local market.

Source: bm.ge

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