

2/26/2022

Weekly Highlights

**Inflation in Georgia January 2022-** In January 2022 the Consumer Price Index increased by 1.1 percent compared to the previous month, while the annual inflation rate amounted to 13.9 percent. With regard to the annual core inflation1, the prices increased by 5.6 percent, while the annual core inflation without tobacco2 also amounted to 5.6 percent.

**The annual inflation rate** was mainly influenced by price changes for the following groups: **Food and non-alcoholic beverages:** the prices in the group increased by 16.2 percent, contributing 5.27 percentage points to the overall annual inflation rate. Within the group the prices increased for the following subgroups: vegetables (23.3 percent), bread and cereals (20.5 percent), oils and fats (19.6 percent), mineral waters, soft drinks, fruit and vegetable juices (18.3 percent), sugar, jam, honey, chocolate and confectionery (18.2 percent), fish (16.6 percent), milk, cheese and eggs (14.4 percent), fruit and grapes (13.7 percent), meat (11.9 percent), coffee, tea and cocoa (7.8 percent); **Housing, water, electricity, gas and other fuels:** the prices for the group posted a 44.8 percent increase, which contributed 3.69 percentage points to the annual inflation rate3 . The prices were higher for the following subgroups: electricity, gas and other fuels (68.0 percent), water supply and miscellaneous services relating to the dwelling (58.0 percent), maintenance and repair of the dwelling (8.7 percent). In the same period prices were lower for actual rentals for housing (-3.1 percent);

**Exchange rate-** As a result of 25th February, the value of one dollar became 3.1540 GEL and the value of one euro became 3.5255 GEL.

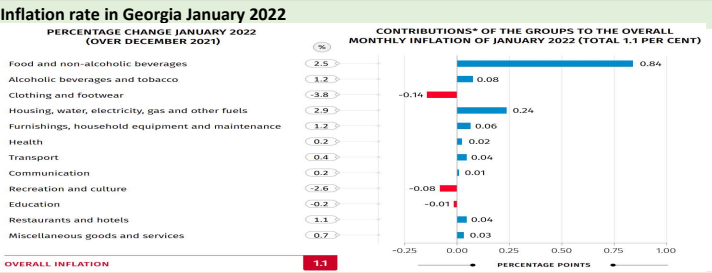
**Covid 19-** Confirmed coronavirus cases 1 598 172 , within the past 24 hours 6 236; Recovered- 1 477 481, within the past 24 hours- 14 909; Fatal outcome- 16 097, within the past 24 hours- 43.

Articles of the Week

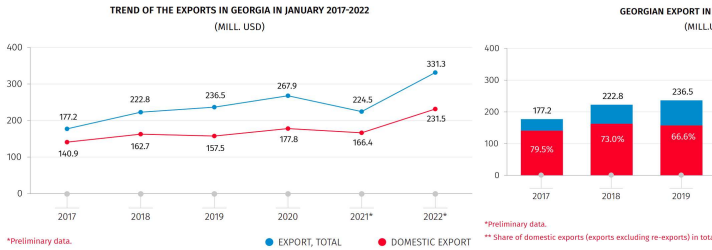
Notes on Georgia’s aromatic herbs export season

Georgia exported 835 tons of aromatic herbs in November-December 2021, which is 22% higher than in the same period of 2020. Despite the statistics, Georgian growers and exporters don’t feel like it’s a better season, and complain about prices, demand and quality. The main export market for Georgian aromatic herbs is Russia where their success depends on the situation in competitor countries like Uzbekistan and Iran, as they became traditional suppliers to the Russian market. Georgian herbs lost their positions in price and quality competition with them. However, last season Georgian producers were getting better prices because of the bad weather and logistics issues in competitor countries. According to recent data, on 26 January 2021, exporters were paying 6 GEL/kg (\$1.81) to Georgian dill producers, which is the most demanded variety of aromatic herbs to export from Georgia. In 2022 growers are getting only 4 GEL/kg (\$1.3), making local growers unhappy about the current season.

**Source:** <https://www.hortidaily.com/article/9395508/notes-on-georgia-s-aromatic-herbs-export-season/>



Domestic export of Georgia 2022 January



\*Preliminary data.  
\*\*Share of domestic exports (exports excluding re-exports) in total exports is presented as percentage figure.

Producer price index for industrial products in Georgia January 2022

CODE	GROUPS	OVER DECEMBER 2021	CONTRIBUTIONS* TO MONTHLY CHANGES	OVER JANUARY 2021	CONTRIBUTIONS* TO ANNUAL CHANGES
	TOTAL	99.3	-0.71	116.2	16.20
B	Mining and quarrying	96.6	-0.27	103.1	0.10
05	Coal and lignite	100.0	0.00	100.0	0.00
06	Crude petroleum and natural gas	121.5	0.03	222.0	0.22
07	Metal ores	95.3	-0.30	95.2	-0.36
08	Other mining and quarrying products	100.2	0.00	116.1	0.23
C	Manufactured products	100.0	-0.02	121.9	17.19
10	Food products	101.0	0.28	112.6	2.37
11	Beverages	98.0	-0.37	97.7	-0.49
12	Tobacco products	100.0	0.00	100.0	0.00
13	Textiles	97.5	-0.01	115.5	0.05
14	Wearing apparel	99.8	0.00	104.9	0.09
15	Leather and related products	101.6	0.00	109.0	0.01
16	Wood and of products of wood and cork, except furniture; articles of straw and plaiting materials	97.5	-0.02	129.5	0.26
17	Paper and paper products	100.1	0.00	128.2	0.27
18	Printing and recording services	98.6	-0.01	96.1	-0.04
19	Coke and refined petroleum products	95.0	-0.02	139.4	0.20
20	Chemicals and chemical products	103.0	0.09	293.3	6.64
21	Basic pharmaceutical products and pharmaceutical preparations	105.1	0.08	103.8	0.08
22	Rubber and plastic products	99.1	-0.03	120.7	0.61
23	Other non-metallic mineral products	101.6	0.14	108.0	0.79
24	Basic metals	96.9	-0.26	141.3	5.08

CODE	GROUPS	OVER DECEMBER 2021	CONTRIBUTIONS* TO MONTHLY CHANGES	OVER JANUARY 2021	CONTRIBUTIONS* TO ANNUAL CHANGES
25	Fabricated metal products, except machinery and equipment	101.0	0.02	131.7	0.73
27	Electrical equipment	111.5	0.06	135.2	0.20
28	Machinery and equipment n.e.c.	103.7	0.00	114.1	0.02
30	Other transport equipment	100.0	0.00	76.8	-0.11
31	Furniture	101.7	0.02	123.1	0.30
32	Other manufactured goods	100.0	0.00	102.1	0.00
33	Repair and installation services of machinery and equipment	97.1	-0.02	110.3	0.13
D	Electricity, gas, steam and air conditioning	94.4	-0.48	89.6	-1.17
35	Electricity, gas, steam and air conditioning	94.4	-0.48	89.6	-1.17
E	Water supply, sewerage, waste management and remediation services	102.9	0.07	102.9	0.08
36	Natural water; water treatment and supply services	101.8	0.03	101.8	0.03
38	Waste collection, treatment and disposal services; materials recovery services	105.1	0.04	105.1	0.04

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

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](http://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

DOMESTIC EXPORTS OF GEORGIA	MILL. USD	CHANGE (%)
January	166.4	-6.4
February	200.0	21.8
March	237.6	23.7
April	277.0	60.3
May	240.0	32.6
June	258.1	34.4
July	280.5	46.0
August	236.3	16.2
September	270.2	10.2
October	318.2	34.1
November	325.2	44.1
December	317.5	41.5
2022* January	231.5	39.1

Agricultural commodities

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
C1COM Corn (CBOT)	USD/bu.	655.75	-34.50	-5.00%	May 2022	2/25/2022
W1COM Wheat (CBOT)	USD/bu.	859.75	-75.00	-8.02%	May 2022	2/25/2022
O1COM Oats (CBOT)	USD/bu.	614.50	-36.75	-5.93%	May 2022	2/25/2022
R1COM Rough Rice (CBOT)	USD/cwt	15.42	0.00	0.00%	May 2022	2/25/2022
S1COM Soybean (CBOT)	USD/bu.	1,584.50	-69.50	-4.20%	May 2022	2/25/2022
SM1COM Soybean Meal (CBOT)	USD/T.	442.70	-12.90	-2.83%	May 2022	2/25/2022
BO1COM Soybean Oil (CBOT)	USD/lb.	68.93	-3.04	-4.22%	May 2022	2/25/2022
RS1COM Canola (ICE)	CAD/MT	1,001.20	-50.80	-4.83%	May 2022	2/25/2022

Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
CC1COM Cocoa (ICE)	USD/MT	2,614.00	-2.00	-0.08%	May 2022	2/25/2022
KC1COM Coffee 'C' (ICE)	USD/lb.	238.65	+0.75	+0.32%	May 2022	2/25/2022
SB1COM Sugar #11 (ICE)	USD/lb.	17.60	-0.31	-1.73%	May 2022	2/25/2022
JO1COM Orange Juice (ICE)	USD/lb.	135.90	-0.85	-0.62%	May 2022	2/25/2022
CT1COM Cotton #2 (ICE)	USD/lb.	118.63	-0.53	-0.44%	May 2022	2/25/2022
OL1COM Wool (ASX)	--	--	--	--	N/A	--
LB1COM Lumber (CME)	USD/1000 board feet	1,199.70	-0.20	-0.02%	May 2022	2/25/2022
OR1COM Rubber (Singapore)	USD/kg	181.50	-0.20	-0.11%	May 2022	2/25/2022
DL1COM Ethanol (CBOT)	USD/gal.	2.16	0.00	0.00%	Mar 2022	2/25/2022
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)
LC1COM Live Cattle (CME)	USD/lb.	141.93	-0.37	-0.26%	Apr 2022	2/25/2022
FC1COM Feeder Cattle (CME)	USD/lb.	164.75	+0.95	+0.58%	Apr 2022	2/25/2022
LH1COM Lean Hogs (CME)	USD/lb.	103.68	-1.85	-1.75%	Apr 2022	2/25/2022

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	8.2	8.9	6.5	7.9	9.8	7.3	7.9	11.6	
GDP Per Capita (At Current Prices), ₾	3 238.4	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	1556.1	1592	
Employed, Thousand People	1296.9	1262.7	1237.6	1269.11	1197.9	1126.7	1214.6	1261.9	
Unemployed, Thousand People	278.9	282.6	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			

Producer price index for industrial products in Georgia January 2022

In January 2022 the Producer Price Index for Industrial Products decreased by 0.7 percent compared to the previous month, while compared to January 2021 the index growth amounted to 16.2 percent.

The prices for products from **mining and quarrying** decreased by 3.4 percent compared to **December 2021**, resulting in a -0.27 percentage point contribution to the overall monthly PPI change. In the same period the prices for **manufactured products** decreased by 0.02 percent, contributing -0.02 percentage points to the monthly index change. Within the group a noteworthy price decrease was registered for beverages (-2.0 percent). Besides, the prices decreased for **electricity, gas, steam and air conditioning** by 5.6 percent, contributing -0.48 percentage points to the monthly index change. The prices for **water supply, sewerage, waste management and remediation services** increased by 2.9 percent, resulting in a 0.07 percentage point contribution to the overall monthly PPI change.

**The annual PPI rate** was mainly affected by price changes for the following products: **• Products from mining and quarrying:** the prices were 3.1 percent higher, contributing 0.1 percentage points to the overall annual index change. Within the group the prices were higher for the subgroup of other mining and quarrying products (16.1 percent); **• Manufactured products:** the prices increased by 21.9 percent, contributing 17.19 percentage points to the overall annual index growth. There was a notable increase in the prices for the following subgroups: food products (12.6 percent), chemicals and chemical products (193.3 percent) and basic metals (41.3 percent); **• Electricity, gas, steam and air conditioning:** the annual price decrease amounted to 10.4 percent, which contributed -1.17 percentage points to the annual index growth; **• Water supply, sewerage, waste management and remediation services:** the annual price increase amounted to 2.9 percent, which contributed 0.08 percentage points to the annual index growth.

Prices for imported tomatoes up in Georgia

In the Republic of Georgia, prices for imported tomatoes have gone up, but import volumes have increased a well. Some sources suggest that the increase in the price of imported tomatoes is due to bad weather in Turkey, which is the main exporter of tomatoes to Georgia.

Given the difficulties with supplies from Turkey, red round tomatoes, which are massively imported from Turkey from October to May, have risen sharply in the wholesale markets of Georgia. The growth in wholesale prices for imported tomatoes in mid-January on an annualized basis amounted to about \$0.30/kg.

Despite these higher prices, Georgia imported 1,200 tons of tomatoes in January – the highest volume in at least the last 9 years and 7% higher than imports in January 2021. Somewhat surprisingly, both prices and volumes of tomato imports are up compared to January 2021.

Over the past eight months, Georgia has imported 7,700 tons of tomatoes – at least 30% higher compared to imports in the same period of any year over the past 9 years. Despite the recent increase in the price of imported tomatoes, prices in official import data are still among the lowest in history.

**Source:** <https://www.hortidaily.com/article/9399698/prices-for-imported-tomatoes-up-in-georgia/>

Georgian Milk- Tsezari

Dairy company "Tsezari" plans to export a total of 100 tons of cheese to the US and Canada this year. At the moment, several tons of cheese are sent to international markets about once every 2 months. For information, half a million dollars were invested in 2016 for the "Caesar" dairy company located in Khulo. The company gathers raw milk from about 500 local farmers and processes about 10-15 tons of milk per day during the season.

In addition to exports, "Caesar" dairy products are sold in online markets. It should be noted that the company also holds a document certifying the safety of American food.

<http://georgianmilk.ge/>

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