

12/25/2021

#### Weekly Highlights

##### THE DOMESTIC EXPORTS IN JANUARY-NOVEMBER 2021

In January-November 2021 the exports of Georgia (excluding non-declared exports) equaled USD 3 822.9 million, 26.7 percent higher year-on-year. Share of the domestic exports in total export constituted 73.5 percent and amounted to USD 2 809.6 million, 28.7 percent higher to the same period of 2020.

In January-November 2021 the share of the top ten trading partners by domestic exports in the total domestic exports of Georgia amounted to 78.8 percent. The top partners were China (USD 537.9 million), Russia (USD 502.1 million) and Turkey (USD 275.5 million)..

In January-November 2021 copper ores and concentrates reclaimed the first place in the list of top export items, equaling USD 750.1 million, or 26.7 percent of total exports. The exports of ferro-alloys totaled USD 414.8 million and their share in the total exports amounted to 14.8 percent. The exports of wine of fresh grapes occupied the third place standing at USD 214.9 million and constituting 7.7 percent of the total exports.

**Exchange rate-** As a result of December 25, the value of one dollar became 3.0774 GEL and the value of one euro became 3.4888 GEL.

**Covid 19-** Confirmed coronavirus cases 922 707, within the past 24 hours 2 090; Recovered- 878 022, within the past 24 hours- 1 768; Fatal outcome- 13 443, within the past 24 hours- 76.

#### Articles of the Week

##### Georgian honey, green tea and other products will be traded in Turkey under free trade agreement

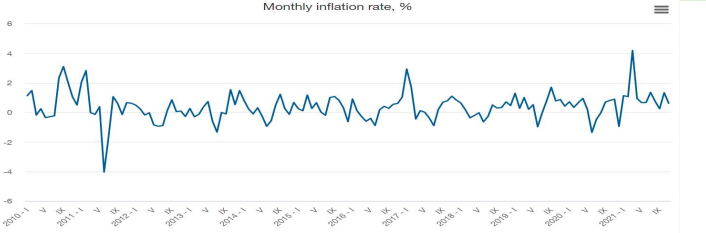
The current free trade agreement between Georgia and Turkey is being expanded. Producers of honey, fruit juices and jams, canned food, canned food, green tea and a number of other agricultural products will be able to enter or increase the number of products on the Turkish market through the free trade regime.

According to the Ministry of Economy, an agreement was reached between the Georgian and Turkish delegations, aimed at further liberalization of tariffs on agricultural products. The meeting has been taking place since 2016 within the framework of the bilateral joint committee established by the Free Trade Agreement. The delegations were led by the Deputy Minister of Economy and Sustainable Development of Georgia Genadi Arveladze and the Deputy Minister of Trade of Turkey Mustafa Tuzju.

According to the Ministry, in the first half of 2022, domestic procedures will be implemented, during which changes to the text of the agreement will be officially introduced.

source: [bm.ge](https://bm.ge)

##### Consumer Price Index over the previous month



##### Trade statistics of Honey (Georgia 2021)

In 10 months of 2021, honey exports from Georgia increased significantly. During this period, 150 tons of honey were sold in various markets, the total value of which amounted to 536.1 thousand US dollars. The increase in the value of exports compared to the same period last year was 796%, and the volume - 1669.2%.

It should be noted that most of the honey exported during this period comes to EU countries. Accordingly, in January-November, 121 tons of honey were exported from Georgia to Europe, the value of which amounted to 394.6 thousand US dollars, which is 2,199.8% more than the income received from honey exports last year.

According to official statistics, Georgia did not sell honey in this direction last year, and in 2019, a small amount of up to 17.1 thousand dollars was exported up to 2 tons of honey. Honey markets include: France - 197 thousand dollars, 43.8 tons; Bulgaria - 188.3 thousand dollars, 76.4 tons; Czech Republic - 9.3 thousand dollars, 1 ton and a small amount of Germany, while most of the honey exported in 2019 - 1.9 tons went to Germany (16 thousand dollars).

In addition, honey from Georgia to Qatar (26.2 thousand dollars, 4 tons); In Hong Kong (24 thousand dollars; 3 tons); In the US (\$ 20.4 thousand, 2.2 tons); In the United Arab Emirates (19.6 thousand dollars, 3 tons); In Kazakhstan (17.3 thousand dollars, 4 tons); The conversation took place in Arabia (\$ 10.3 thousand, 1.1 tons) and in small quantities in Russia, Canada, Japan, Azerbaijan, Singapore, Kuwait and Bahrain.

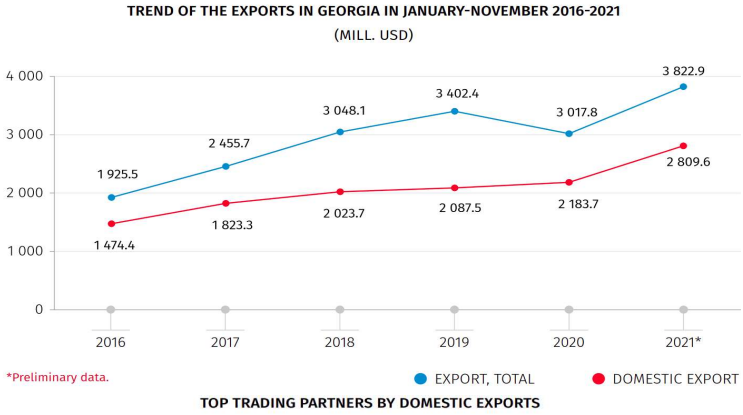
Source: [bm.ge](https://bm.ge)

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## Agricultural Report on Georgia #24

#### The domestic exports in Jan-Nov 2021



|                        | JANUARY-NOVEMBER 2020 |                    | JANUARY-NOVEMBER 2021* |                    | CHANGE (%) |
|------------------------|-----------------------|--------------------|------------------------|--------------------|------------|
|                        | MILL. US DOLLARS      | SHARE IN TOTAL (%) | MILL. US DOLLARS       | SHARE IN TOTAL (%) |            |
| TOTAL DOMESTIC EXPORTS | 2 183.7               | 100.0              | 2 809.6                | 100.0              | 28.7       |
| Of which:              |                       |                    |                        |                    |            |
| China                  | 432.2                 | 19.8               | 537.9                  | 19.1               | 24.5       |
| Russia                 | 360.3                 | 16.5               | 502.1                  | 17.9               | 39.4       |
| Turkey                 | 156.7                 | 7.2                | 275.5                  | 9.8                | 75.8       |
| Bulgaria               | 281.3                 | 12.9               | 241.6                  | 8.6                | -14.1      |
| Ukraine                | 104.8                 | 4.8                | 159.2                  | 5.7                | 51.9       |
| United States          | 76.4                  | 3.5                | 150.5                  | 5.4                | 97.1       |
| Armenia                | 77.2                  | 3.5                | 115.7                  | 4.1                | 49.9       |
| Azerbaijan             | 72.7                  | 3.3                | 100.1                  | 3.6                | 37.7       |
| Spain                  | 80.7                  | 3.7                | 65.2                   | 2.3                | -19.2      |
| Switzerland            | 85.1                  | 3.9                | 64.9                   | 2.3                | -23.7      |
| Other countries        | 456.3                 | 20.9               | 596.9                  | 21.2               | 30.8       |

\*Preliminary data.

#### Governmental, Non-governmental grants and subsidies of Agriculture

**Bank of Georgia continues to support agriculture and this time has a new offer for those wishing to start a business in the agricultural sector.**

In particular, the bank offers preferential agro-credit to its customers. This means that those who have an agricultural plot of land and want to grow a blueberry and intensive apple orchard on it, the bank gives them the opportunity to receive financing. It should be noted that the loan also provides for the arrangement of an appropriate drip irrigation system. The loan is issued only in GEL to finance both fixed and current assets. The minimum loan amount is 20,000 GEL, and the maximum is 500,000 GEL. For even more promotion for the customers, the bank offers them a grace period of up to 48 months.

More information about the product is available at the following link:  
<https://bit.ly/3iuSOey>

#### Agricultural commodities

##### Grains

| INDEX                       | UNITS   | PRICE    | CHANGE | %CHANGE | CONTRACT | TIME (EST) |
|-----------------------------|---------|----------|--------|---------|----------|------------|
| C1:COM Corn (CBOT)          | USD/bu. | 605.75   | +3.25  | +0.54%  | Mar 2022 | 12/23/2021 |
| W1:COM Wheat (CBOT)         | USD/bu. | 814.75   | +0.75  | +0.09%  | Mar 2022 | 12/23/2021 |
| O1:COM Oats (CBOT)          | USD/bu. | 707.00   | +13.50 | +1.95%  | Mar 2022 | 12/23/2021 |
| RR1:COM Rough Rice (CBOT)   | USD/cwt | 14.21    | +0.12  | +0.82%  | Mar 2022 | 12/23/2021 |
| S1:COM Soybean (CBOT)       | USD/bu. | 1,340.75 | +5.75  | +0.43%  | Mar 2022 | 12/23/2021 |
| SM1:COM Soybean Meal (CBOT) | USD/T.  | 400.50   | +2.20  | +0.55%  | Mar 2022 | 12/23/2021 |
| BO1:COM Soybean Oil (CBOT)  | USD/lb. | 55.42    | +0.58  | +1.06%  | Mar 2022 | 12/23/2021 |
| RS1:COM Canola (ICE)        | CAD/MT  | 1,003.70 | -7.00  | -0.69%  | Mar 2022 | 12/23/2021 |

##### Softs

| INDEX                      | UNITS               | PRICE    | CHANGE | %CHANGE | CONTRACT | TIME (EST) |
|----------------------------|---------------------|----------|--------|---------|----------|------------|
| CC1:COM Cocoa (ICE)        | USD/MT              | 2,473.00 | +7.00  | +0.28%  | Mar 2022 | 12/23/2021 |
| KC1:COM Coffee 'C' (ICE)   | USD/lb.             | 231.20   | -2.35  | -1.01%  | Mar 2022 | 12/23/2021 |
| SB1:COM Sugar #11 (ICE)    | USD/lb.             | 19.24    | -0.02  | -0.10%  | Mar 2022 | 12/23/2021 |
| JO1:COM Orange Juice (ICE) | USD/lb.             | 137.85   | -115   | -0.83%  | Mar 2022 | 12/23/2021 |
| CT1:COM Cotton #2 (ICE)    | USD/lb.             | 109.12   | +0.29  | +0.27%  | Mar 2022 | 12/23/2021 |
| OL1:COM Wool (ASX)         | --                  | --       | --     | --      | N/A      | --         |
| LB1:COM Lumber (CME)       | USD/1000 board feet | 1,044.80 | +30.00 | +2.96%  | Mar 2022 | 12/23/2021 |
| OR1:COM Rubber (Singapore) | USD/kg              | 171.10   | -1.20  | -0.70%  | Mar 2022 | 12/24/2021 |
| DL1:COM Ethanol (CBOT)     | USD/gal.            | 2.14     | 0.00   | 0.00%   | Jan 2022 | 12/23/2021 |

##### Livestock

| INDEX                       | UNITS   | PRICE  | CHANGE | %CHANGE | CONTRACT | TIME (EST) |
|-----------------------------|---------|--------|--------|---------|----------|------------|
| LC1:COM Live Cattle (CME)   | USD/lb. | 139.63 | +2.25  | +1.64%  | Feb 2022 | 12/23/2021 |
| FC1:COM Feeder Cattle (CME) | USD/lb. | 163.75 | +1.83  | +1.13%  | Mar 2022 | 12/23/2021 |
| LH1:COM Lean Hogs (CME)     | USD/lb. | 83.23  | -0.12  | -0.15%  | Feb 2022 | 12/23/2021 |

#### 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  | 1582    |  |
| Employed, Thousand People                                   | 1295.9  | 1282.7  | 1237.6  | 1269.11 | 1197.9  | 1129.7   | 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    |         |         |  |

#### Review of new investment project of Herbia

Herbia, an agricultural producer, has invested GEL 2.5 million in business development, launching a product processing-packaging plant and delivery service. Today we have been able to offer up to 20 products produced by partner farmers along with about 80 products of "Herbia" products of agricultural products. The fact is that there was a constant demand from the consumers for ecologically clean meat products produced in the village - chicken and chicken, beef, veal and pork, as well as fish, eggs, honey, walnuts and beans. Accordingly, all these products are processed and packaged in the enterprise, "said Zurab Janelidze.

The new enterprise is located in Tskaltubo on the territory of "Herbia" farm on 1000 sq.m. According to the founder of the company, the launch of production and cooperation with partners will increase their daily production by about 1.5-2.0 tons, bringing the total to 7 tons.

As for the launch of the delivery service, which is the second part of the project, until now the products of "Herbia" were sold in chain markets in different cities throughout Georgia, and from now on the customer will be able to receive the product by order only in Tbilisi.

As a result of the project implementation, the number of employees in the company has increased by 25 and today "Herbia" creates 300 jobs.

Source: [bm.ge](https://bm.ge)

#### Production of lilac flower distillate in Georgia

##### Production of lilac flower distillate has started in Georgia

Georgia has started producing a new product - lilac flower distillate.

"Monika's Lilac" is the name of a Georgian company that distills lilac flowers and started producing 40% alcoholic beverages.

As Monika Sandodze, the author of the idea, told [bm.ge](https://bm.ge), this is the first product in the world made by her with copyright technology, which has no analog in the world market. According to her, the production is still small, but in the future, it will take on a large scale and will launch new products.

"This is a high-alcohol drink made from lilac flowers. No one has made lilac distillate before. The idea came up years ago when I first tasted lilac ice cream in France, and during the pandemic, I experimented with the first lilac at the experimental level and it paid off. Last year I released the first 90 bottles of lilac distillate and sold them all successfully, this year I have already produced from 200 to 300 bottles, this drink is a novelty for the customer, however, I have not received any negative feedback. "I have a plan to expand in the future and produce a new product, including lavender," said Monika Sandodze.

For information, "Monika's Lilac" is for sale in "Chacha Time", "Chacha Corner" and "Ninomerisi Wine Shop".

The drink is placed in a half-liter bottle and its price starts from 50 GEL in different facilities.

Source: [Bm.ge](https://bm.ge)



#### Company review - Agritachi

blueberry producer Agritachi will export its products to Japan, Israel and Saudi Arabia in 2022. As Davit Makashvili, General Manager of the company, told [bm.ge](https://bm.ge), this year exports were made to several new markets, including Bahrain, Malaysia and the United Arab Emirates. "We are going to enter the markets of Israel, Japan, Saudi Arabia and South Korea. It is a very high-priced product and therefore our focus is on economically strong countries. "This year we exported 20 tons of Georgian herbs to Qatar," said the general manager of the company. For information, "Agritachi" has been operating in the market since 2018 and combines 50 hectares of blueberry plantations in Guria. The company took the first crop in 2021 - 50 tons of blueberries and exported them. "Agritachi" will enter full yield in three years and will harvest up to 300 tons of blueberries.



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