

## Weekly highlights

### Georgia's economy increased by 10.1% in 2022

Geostat revised real GDP growth slightly upwards to 9.7% in 4Q22, from the preliminary estimate of 9.5%. For the whole 2022 year, real GDP growth came in at 10.1%, unchanged from rapid estimate. In 2022, high contributions to growth came from transportation and storage (+28.4% y/y), ICT (+49.9% y/y), electricity supply (+38.9% y/y), construction (+14.8% y/y), trade (+6.1% y/y), manufacturing (+7.8% y/y), art, entertainment and recreation (+17.3% y/y), and hospitality (+16.7% y/y) sectors. Meanwhile, real estate (-4.8% y/y) and healthcare (-5.7% y/y) sectors weighed on growth. In 2022, nominal GDP increased by 19.6% y/y to GEL 71.8bn (US\$ 24.6bn). GDP per capita stood at US\$ 6,672 in 2022, up from US\$ 5,023 in 2021.

### Producer price index reduced in Feb-23

Annual PPI for industrial goods reduced by 1.0% in Feb-23, posting decline for the first time since Nov-16, according to Geostat. This decline was driven by price fall in mining (-13.4% y/y), water supply (-6.4% y/y) and electricity (-1.9% y/y) sectors.

### Exchange rate

As a result of March 28th, the value of one dollar became 2.5712 GEL and the value of one euro became 2.7828 GEL.

## Activities of Enterprises IV Quarter, 2022

In the IV quarter of 2022 compared to the same quarter of previous year the volume of business sector turnover increased by 18.1 percent and amounted to 51.7 billion GEL.

The production value of the business sector is characterized by the increasing tendency. In the IV quarter of 2022, its volume equaled to 19.8 billion GEL, which is year-on-year 22.1 percent more:

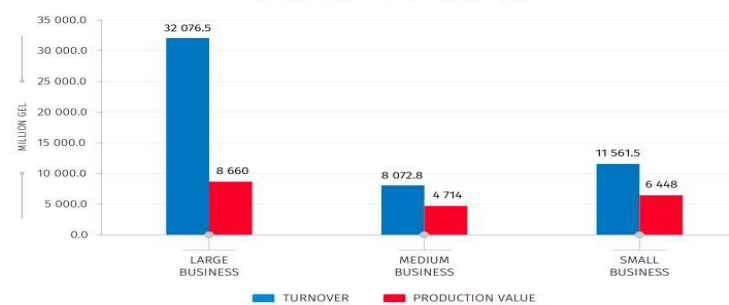
VOLUME OF BUSINESS SECTOR TURNOVER AND PRODUCTION VALUE BY QUARTERS



In the IV quarter of 2022, 62.0 percent of total turnover comes on large and 15.0 percent - on medium businesses while 22.4 percent is distributed to small business. A small difference is in case of total production value: 43.7 percent comes on large, 23.8 percent - on medium and 32.5 percent on small businesses.

In IV quarter of 2022, total purchases of goods and services carried out by enterprises equaled to 30.4 billion GEL (year-on-year 21.8 percent more), while the purchase goods and services for resale amounted 18.4 billion GEL (year-on-year 21.0 percent more). In the IV quarter of 2022, the average number of persons employed equaled to 741.0 thousand, which is year-on-year 6.9 percent more. Out of the total number of persons employed, 43.1 percent are female and 56.9 percent are male.

BUSINESS SECTOR TURNOVER AND PRODUCTION VALUE BY SIZE OF ENTERPRISES, IV QUARTER, 2022



## Freeze Tea company

The Freeze Tea company appeared on the Georgian market in 2021 and offers its customers tea with a lively aroma and taste made by combining freshly picked tea leaves, medicinal plants and wild forest fruits. Irakli Dolidze, the co-founder of the company, said in an interview with BM.GE that they are currently at the stage of negotiations and their local sales market may increase. He also noted that the main difficulty is raising awareness of frozen tea leaves.

"We collect tea in Imereti (Chiathura, Khoni) and Guria. We buy mint and Georgian rose from Georgian bio-entrepreneurs in Tsnori, Kakheti. The inhabitants of the highland villages of Imereti collect wild blueberries and lime flowers in the forests and bring them to us. Live frozen leaf tea has a very high content of healthful antioxidants, our main challenge is to introduce this innovation and bring customers to the freezers instead of the traditional tea section in stores, we are currently doing this with active promotion, however, we want customers to get to know us faster and look for tea in the frozen products section as often, as in traditional. In 2022, we added 3 new types of Freeze Tea, in 2023 we are still thinking about expanding the assortment using Georgian forest raw materials, we also sent our products to several interested importers, we are waiting for their feedback, we want to be able to export the products of 2023 to the European Union market", said Irakli Dolidze and He added that currently, the company offers customers 6 types of tea, the price of which varies between 14.95 GEL and 15.95 GEL.

According to him, by 2022, the company has produced 4,000 packages, and by 2023, it plans to increase production based on orders. For information, Freeze Tea live frozen leaf tea can be purchased at Goodwill hypermarkets and from the company's forest mushroom online store - www.boletto.ge.

The Freeze Tea company employs 6 people permanently, and seasonally adds 10-15 people to the enterprise in Kharagauli.



## Bioproduction Promotion Program

Filled application form should be sent to the e-mail address of the agency document@rda.gov.ge together with the documentation to be submitted. Also, you can present it to the employee of the clerical office of the administrative department and/or to the employee of the relevant regional service of the Regional Relations Department, in a material form.

### Program Goal and Objective

The goal of the bioproduction promotion program is to support bioproduction to ensure the growth of production of bioproducts.

The objective of the program is to provide financial support to potential beneficiaries who wish to start bioproduction.

### Program Implementer

The program is implemented by the Rural Development Agency.

The program implementation is coordinated by the Ministry of Environmental Protection and Agriculture of Georgia.

### Program Purposes

The program envisages compensation for the following purposes during the conversion period:

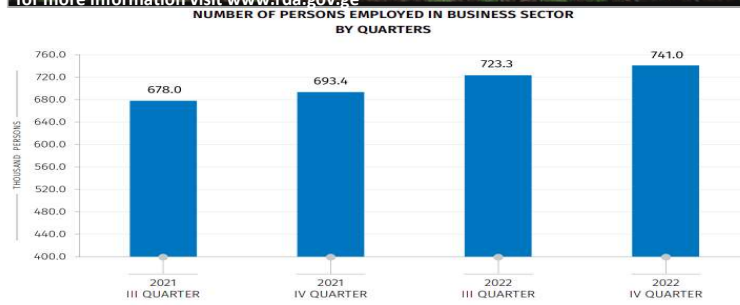
- Bioproduction certification;
- Consulting services;
- Purchase of organic fertilizers and/or biopreparations against pests and diseases, allowed for the use in organic farming;
- Purchase of the medical biopreparations for bees and the bio honeycomb;
- Services related to the laboratory analysis of honey and wax.

### Geographical Area of the Program

This program covers all municipalities and self-governing cities of Georgia.

For more information visit [www.rda.gov.ge](http://www.rda.gov.ge)

## NUMBER OF PERSONS EMPLOYED IN BUSINESS SECTOR BY QUARTERS



## Agricultural commodities

### Grains

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C1COM Corn (CBOT)	USD/bu.	647.00	-1.25	-0.19%	May 2023	11:19 AM
W1COM Wheat (CBOT)	USD/bu.	700.25	+2.25	+0.32%	May 2023	11:19 AM
O1COM Oats (CBOT)	USD/bu.	379.75	+2.50	+0.66%	May 2023	11:19 AM
RR1COM Rough Rice (CBOT)	USD/cwt	17.85	+0.02	+0.08%	May 2023	11:19 AM
S1COM Soybean (CBOT)	USD/bu.	1,455.75	+13.50	+0.94%	May 2023	11:20 AM
SM1COM Soybean Meal (CBOT)	USD/T.	453.80	+7.80	+1.75%	May 2023	11:20 AM
BO1COM Soybean Oil (CBOT)	USD/bbl.	54.67	+0.12	+0.22%	May 2023	11:19 AM
RS1COM Canola (ICE)	CAD/MT	760.60	+7.40	+0.98%	May 2023	11:20 AM

### Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
CC1COM Cocoa (ICE)	USD/MT	2,910.00	+8.00	+0.28%	May 2023	11:21 AM
KC1COM Coffee 'C' (ICE)	USD/lb.	174.35	-2.55	-1.44%	May 2023	11:21 AM
SB1COM Sugar #11 (ICE)	USD/lb.	21.26	+0.33	+1.58%	May 2023	11:21 AM
JO1COM Orange Juice (ICE)	USD/lb.	254.35	+1.80	+0.71%	May 2023	11:18 AM
CT1COM Cotton #2 (ICE)	USD/lb.	81.82	+2.30	+2.89%	May 2023	11:20 AM
OL1COM Wool (ASX)	---	---	---	---	N/A	---
LB1COM Lumber (CME)	USD/1000 board feet	388.50	-9.40	-2.36%	May 2023	11:18 AM
OR1COM Rubber (Singapore)	USD/kg	136.60	+0.70	+0.52%	Jun 2023	5:59 AM
DL1COM Ethanol (CBOT)	USD/gal.	2.16	0.00	0.00%	Apr 2023	3/27/2023

### Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
LC1COM Live Cattle (CME)	USD/lb.	158.60	-0.28	-0.17%	Jun 2023	11:20 AM
FC1COM Feeder Cattle (CME)	USD/lb.	200.88	-0.50	-0.25%	May 2023	11:19 AM
LH1COM Lean Hogs (CME)	USD/lb.	91.58	-1.50	-1.61%	Jun 2023	11:20 AM

Economic Data on Georgia								
GDP								
	III 20*	IV 20*	2020*	I 21*	II 21*	III 21*	IV 21*	2021*
GDP at Current Prices, Bn €	13.4	14	49.3	11.5	15.5	16	17.2	60.2
GDP at Constant 2015 prices, Bn €	9.7	10.1	37.6	8.8	11.2	10.5	11	41.5
GDP Real Growth, Percentage	-8.8	-7.4	-6.8	-4.1	28.9	9.1	13.4	10.8
GDP Deflator Change, Percentage	7.9	8.6	7.5	7.9	11.6	9.4	10.8	10.8
GDP Per Capita (At Current Prices), €	3 600.1	3 753.0	13 234.1	3 081.3	4 161.4	4 290.4	4 621	16 154.1
GDP Per Capita (At Current Prices), \$	1 160.6	1 147.3	4 255.7	929.7	1 250.7	1 375	1 478.6	5 015.3
GDP at Current Prices, Bn US Dollars	7.5	3.8	3.4	3.5	4.7	5.1	5.5	18.7
Share of Agriculture in GDP, Percentage			8.3					7
Population & Unemployment								
	I 20	II 20	III 20	IV 20	I 21	II 21	III 21	IV 21
Economically Active Population (Workforce), Thousand People	1545.2	1515	1526.9	1505.7	1447.2	1559.1	1592	1536.1
Employed, Thousand People	1262.7	1237.6	1269.11	1197.9	1129.7	1214.6	1281.2	1244.3
Unemployed, Thousand People	282.6	277.4	259.8	307.8	317.5	344.6	310.8	291.9
Unemployment Rate, Percentage	18.3	18.3	17	20.4	21.9	22.1	19.5	19
Consumer Price Index (Inflation)								
	2015	2016	2017	2018	2019	2020	2021	
Annual Average to the Annual Average	104	102.1	106	102.6	104.9	105.2	109.6	
December over Previous Year's December	104.9	101.8	106.7	101.5	107	102.4	113.9	

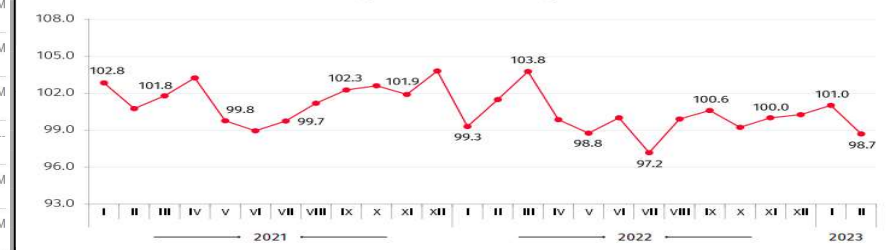
## Producer Price Index for Industrial Products in Georgia - February 2023

In February 2023, the Producer Price Index for Industrial Products decreased by 1.3 percent compared to the previous month, while compared to February 2022 the index decrease amounted to 1.0 percent. The prices for products from mining and quarrying decreased by 2.0 percent compared to January 2023, resulting in a -0.13 percentage point contribution to the overall monthly PPI change. Within the group a noteworthy price decrease was registered for metal ores (-2.6 percent).

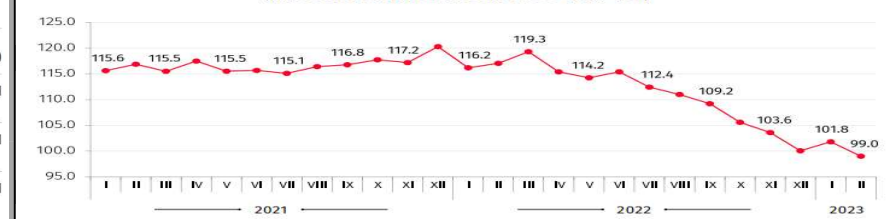
In the same period the prices for manufactured products decreased by 1.4 percent, contributing -1.17 percentage points to the monthly index change. Within the group a noteworthy price decrease was registered for chemicals and chemical products (-16.6 percent). Besides, the prices decreased for electricity, gas, steam and air conditioning by 0.1 percent, contributing -0.01 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 13.4 percent lower, contributing -1.02 percentage points to the overall annual index change. Within the group the prices were lower for the subgroup of metal ores (-19.9 percent);
- Manufactured products: the prices increased by 0.4 percent, contributing 0.34 percentage points to the overall annual index growth. There was a notable increase in the prices for the following subgroups: food products (9.3 percent), wearing apparel (21.8 percent) and other nonmetallic mineral products (9.5 percent);
- Electricity, gas, steam and air conditioning: the annual price decrease amounted to 1.9 percent, which contributed -0.16 percentage points to the annual index change;
- Water supply, sewerage, waste management and remediation services: the annual price decrease amounted to 6.4 percent, which contributed -0.16 percentage points to the annual index growth.

PRODUCER PRICE INDEX FOR INDUSTRIAL PRODUCTS (PREVIOUS MONTH=100)



PRODUCER PRICE INDEX FOR INDUSTRIAL PRODUCTS (THE SAME MONTH OF THE PREVIOUS YEAR =100)



## Vegan Jelly Sauces - Malenta

The Georgian company "Malenta", which produces vegan jelly sauces, is planning to export, - the founder of the company, Mari Kvernadze, spoke about this in an interview with Bm.ge.

"Malenta" has been operating on the market for 6-8 months and offers customers jelly sauces made on the basis of vegetables and fruits. "Currently, we offer 6 types of vegan sauces to customers. Our products are consumed both in desserts and cocktails, as well as with meat, cheese boards and salads, the flavors are very diverse and will appeal to people with any taste", - noted the founder. Speaking about future plans, Mari Kvernadze notes that the plans are big. Future plans include expansion and export: "

We entered Goodwill in the new year, and we are going to enter other chain stores from spring. In addition, we are thinking of exporting. At this stage, we are not financially ready for Europe, the markets of Armenia and Azerbaijan are also being considered," the founder explains.

The company produces 3,000-5,000 cans per month, however, Mari Kvernadze says that it has a much larger resource and will definitely use it. The company employs 5 people. Products can be purchased on social platforms, at "Goodwill" and agro-boutique



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