

Weekly highlights

Unemployment rate reduced to 18.1% in 2Q22

Unemployment rate reduced by 4.0ppts y/y and 1.3ppts q/q to 18.1% in 2Q22, amid strong economic growth. In 2Q22, out of employed persons hired labor increased by 4.4% y/y (68.3% of total), while self-employed persons (31.6% of total) were up by 5.1% y/y. Notably, labor force participation rate increased by 1.6ppts q/q to 51.5% in 2Q, but it still remains below pre-pandemic level.

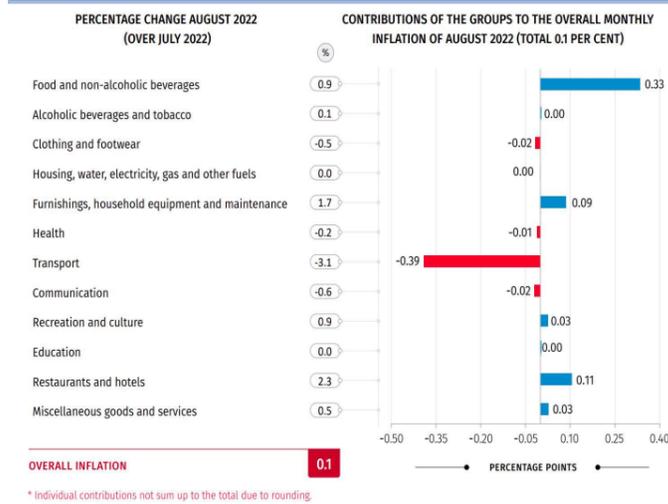
Producer price index retreated to 12.4% y/y in Jul-22

Annual PPI for industrial goods retreated to 12.4% in Jul-22, after a 15.4% growth in previous month, according to Geostat. Price changes in mining (-15.5% y/y) and manufacturing (+17.0% y/y) contributed most to the overall index change in July.

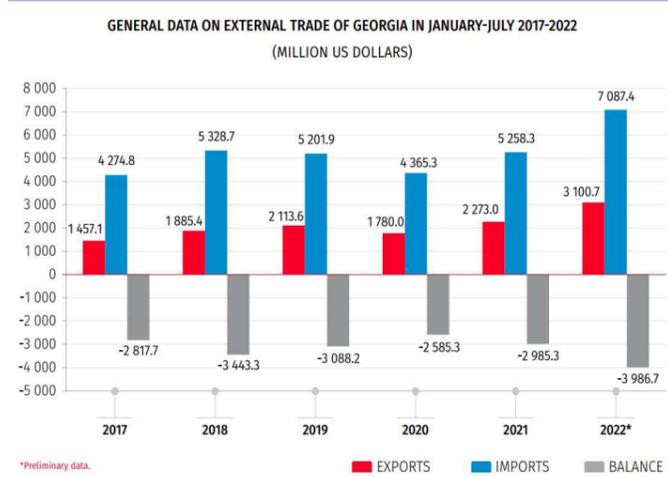
Exchange rate- As a result of September 8th, the value of one dollar became 2.8657

GEL and the value of one euro became 2.8376 GEL.

Inflation rate in Georgia, August 2022



External merchandise trade of Georgia in January-July 2022



Foreign Direct Investments Q2 2022

MAJOR INVESTOR COUNTRIES BY Q2 2022 (MILLION US DOLLARS)

Country	2020				2021				2022*			
	I	II	III	IV	I	II	III	IV	I	II		
TOTAL	173.8	246.4	296.9	-127.2	589.8	134.3	322.5	373.9	411.1	1 241.8	571.1	351.8
of which:												
United Kingdom	72.0	59.1	115.2	56.6	303.1	89.9	122.9	59.7	331.0	603.6	87.1	64.7
Netherlands	24.1	71.2	90.5	20.9	206.8	10.9	49.6	65.3	12.5	138.3	34.4	44.8
Japan	8.8	-8.6	15.2	-8.9	6.5	7.6	24.6	-11.4	-16.5	4.3	7.9	41.8
Türkiye	14.2	26.2	-3.5	43.0	79.9	28.9	30.9	76.8	-36.5	100.0	67.2	30.7
China	-10.1	-8.4	-9.9	-7.0	-35.4	-10.6	-4.4	-4.5	-8.6	-28.1	36.6	30.7
Czech Republic	-2.8	0.3	5.9	-9.6	-6.3	13.6	30.7	35.6	0.9	80.8	6.1	26.6
Kazakhstan	-0.9	-1.4	2.8	-0.4	0.2	2.3	4.8	2.6	1.2	10.9	1.9	11.8
Denmark	13.4	7.9	-3.9	11.5	28.9	10.6	-26.9	9.7	8.8	2.1	8.7	10.1
Marshall Islands	8.9	3.0	-1.1	-3.9	6.8	6.7	7.4	1.3	4.0	19.4	18.3	9.1
Germany	4.8	8.1	8.2	15.5	36.6	8.4	10.1	11.9	5.7	36.2	9.1	8.9
Other countries	41.4	88.9	77.6	-245.0	-37.1	-34.0	72.8	127.0	108.6	274.4	293.8	72.5

*Preliminary data.

FDI BY ECONOMIC SECTORS IN 2020-2022 (MILLION US DOLLARS)

Sector	2020				2021				2022*			
	I	II	III	IV	I	II	III	IV	I	II		
Total	173.8	246.4	296.9	-127.2	589.8	134.3	322.5	373.9	411.1	1 241.8	571.1	351.8
of which:												
Energy sector	-23.3	31.6	34.6	-49.8	-7.0	40.4	66.9	117.8	-39.2	185.9	236.5	76.6
Real Estate	46.9	15.8	21.0	11.6	95.3	26.4	27.1	9.3	47.3	110.1	76.6	75.6
Financial sector	97.2	80.4	130.5	99.1	407.2	98.7	148.4	90.8	127.4	465.3	117.6	47.6
Manufacturing	7.5	18.1	29.1	-13.1	41.5	21.9	53.1	51.2	7.1	133.3	37.8	40.5
Construction	-1.4	23.1	-12.3	24.4	33.7	-11.9	-9.6	1.7	-4.9	-24.7	19.8	26.8
Transports	6.0	3.8	-5.1	5.7	10.5	-4.4	-18.0	27.5	-0.9	4.2	23.5	13.2
Hotels and restaurants	7.9	-6.2	1.5	-251.2	-248.0	-1.0	-5.6	6.4	-2.7	-2.9	11.3	10.8
Agriculture, fishing	-3.9	5.1	-1.1	-1.8	-1.6	-0.8	-1.7	0.7	3.7	1.9	1.1	3.2
Other sectors	37.0	74.5	98.8	47.9	258.2	-35.0	62.0	68.5	273.2	368.7	47.0	57.4

*Preliminary data.

Governmental, Non-governmental grants and subsidies of Agriculture

GRETA | GREEN ECONOMY: SUSTAINABLE MOUNTAIN TOURISM & ORGANIC AGRICULTURE (co-financed by the EU as well as EU member states Sweden and Austria, and implemented by the Austrian Development Agency)

Targeted area and municipalities: Upper Svaneti, Racha-Lechkhumi and Lower Svaneti, Upper Imereti (Mestia, Lentekhi, Tsageri, Oni, Ambrolauri, Sachkhere, Tchiatura and Tkibuli municipalities)

Beneficiaries:

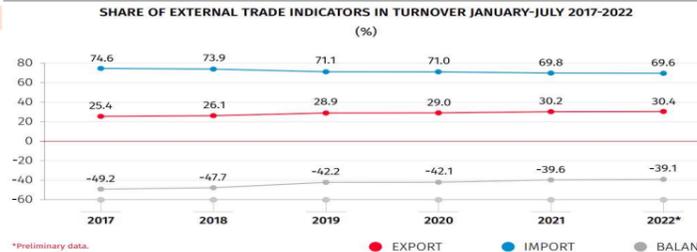
- 400 small-scale business enterprises and producers in mountain tourism;
- 300 accommodation service providers;
- 300 other tourism service suppliers;
- 230 farmers in organic agriculture;
- 2 certification bodies;
- 76 local villagers and inspectors.

Project Objective: The objective of the action is to facilitate an improvement of the business environment and the creation of new income opportunities in sustainable mountain tourism and organic agriculture in order to reduce poverty and exclusion in the selected mountain areas of Georgia.

Project Duration: 12.12.2018 - 31.03.2023

Budget: 6,8 mill. Euro (EU - 3 mill. Euro; Sweden - 2,8 mill. Euro; Austria - 1 mill. Euro)

For more: <https://gretaproject.ge/en>



Agricultural commodities

Grains

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C1COM Corn (CBOT)	US\$/bu	670.00	-1.00	-0.15%	Dec 2022	7:16 AM
W1COM Wheat (CBOT)	US\$/bu	848.50	-2.25	-0.27%	Dec 2022	7:16 AM
O1COM Oats (CBOT)	US\$/bu	387.50	-11.00	-2.82%	Dec 2022	7:05 AM
R1COM Rough Rice (CBOT)	USD/lwt	17.09	-0.03	-0.18%	Nov 2022	9/7/2022
S1COM Soybean (CBOT)	US\$/bu	1,389.00	-5.50	-0.40%	Nov 2022	7:16 AM
SMB1COM Soybean Meal (CBOT)	USD/T	414.70	-3.20	-0.78%	Dec 2022	7:16 AM
B01COM Soybean Oil (CBOT)	US\$/bbl	61.72	-0.37	-0.60%	Dec 2022	7:16 AM
R01COM Canola (ICE)	CAD/MT	782.70	-9.80	-0.48%	Nov 2022	7:12 AM

Softs

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
C0COM Cocoa (ICE)	USD/MT	2,344.00	-8.00	-0.26%	Dec 2022	7:16 AM
K0COM Coffee C (ICE)	US\$/lb	223.95	-0.70	-0.31%	Dec 2022	7:17 AM
S0COM Sugar #11 (ICE)	US\$/lb	17.99	-0.08	-0.33%	Oct 2022	7:17 AM
J0COM Orange Juice (ICE)	US\$/lb	165.90	-2.60	-1.54%	Nov 2022	9/7/2022
C1COM Cotton #2 (ICE)	US\$/lb	102.00	-0.41	-0.40%	Dec 2022	7:16 AM
O11COM Wool (ASX)	---	---	---	---	N/A	---
L01COM Lumber (CME)	USD/1000 board feet	488.00	-23.80	-4.85%	Nov 2022	9/7/2022
R01COM Rubber (Singapore)	US\$/kg	129.30	-0.80	-0.62%	Jan 2022	5:59 AM
D11COM Ethanol (CBOT)	USD/gal	2.18	0.00	0.00%	Oct 2022	9/7/2022

Livestock

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
L01COM Live Cattle (CME)	US\$/lb	144.25	-0.80	-0.55%	Oct 2022	9/7/2022
F01COM Feeder Cattle (CME)	US\$/lb	183.95	-2.15	-1.16%	Oct 2022	9/7/2022
LH1COM Lean Hogs (CME)	US\$/lb	83.60	-0.10	-0.12%	Dec 2022	9/7/2022

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	-6.8	-7.4	-6.8	-4.1	28.9	9.1	8.8	10.4
GDP Deflator Change, Percentage	7.9	8.6	7.3	7.9	11.6	9.4	13.4	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	1 147.5	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	1281.3	1244.3
Unemployed, Thousand People	282.6	277.4	258.8	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

Results of activity of enterprises 2022 II quarter

TURNOVER (MIL. GEL) NACE REV. 2

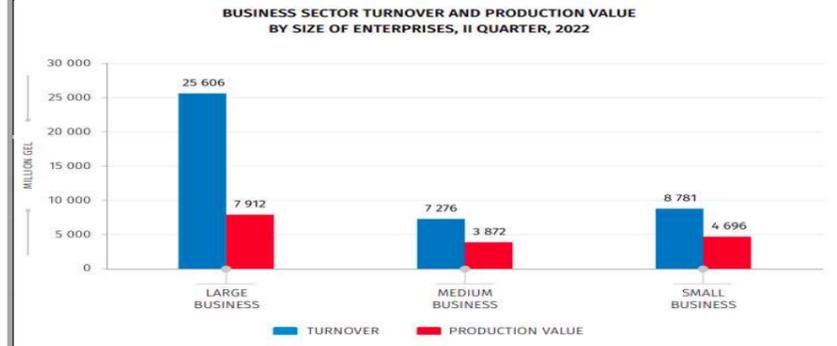
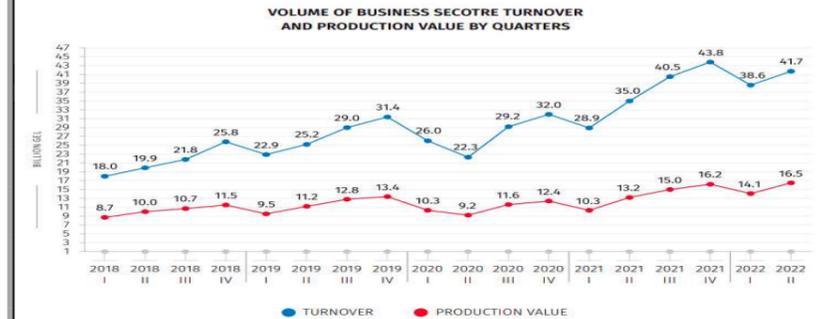
	II QUARTER 2021	II QUARTER 2022	INCREASE RATE IN II QUARTER OF 2022 COMPARED TO II QUARTER OF 2021
BY KIND OF ECONOMIC ACTIVITIES - TOTAL	34 956.3	41 663.9	119.2
Agriculture, forestry and fishing	155.0	190.8	123.1

PRODUCTION VALUE (MIL. GEL) NACE REV. 2

	II QUARTER 2021	II QUARTER 2022	INCREASE RATE IN II QUARTER OF 2022 COMPARED TO II QUARTER OF 2021
BY KIND OF ECONOMIC ACTIVITIES - TOTAL	13 152.1	16 479.8	125.3
Agriculture, forestry and fishing	145.4	167.5	115.2

NUMBER OF EMPLOYEES (UNIT) NACE REV. 2

	II QUARTER 2021	II QUARTER 2022	INCREASE RATE IN II QUARTER OF 2022 COMPARED TO II QUARTER OF 2021
BY KIND OF ECONOMIC ACTIVITIES - TOTAL	659 718	695 229	105.4
Agriculture, forestry and fishing	11 455	11 555	100.9



With the support of the Bank of Georgia, the products of "Agroconsortium" are exported

The Bank of Georgia continues to promote business throughout the country. Together with the production of cheese and cream, the company "Agroconsortium" in Tserovani, in cooperation with the bank, is developing the production of sauces. Chili sauce and natural butter from the company's products are already exported to Transcaucasian countries. The total cost of the project is 973,000 GEL. The bank's investment is 417,000 GEL.

"Our company is distinguished by the fact that it is diversified in several directions and we produce cheese, natural butter, spreads and special fats, as well as sauces. The enterprise has typography and production of packaging materials, which gives us a significant competitive advantage. Last year, we produced 825,000 kg of cheese, and the number of produced spreads reached 781,000 kg. We want to modernize and automate the production of chilli and other sauces. In the factory, we will make the bottle packaging labels and caps on the spot, we will also modernize the packaging. With this, the production capacities of the production will increase significantly and we will be able to take an even greater share in both the local and regional markets", said the representative of the company, Levan Beriashvili. "Business support is one of the constant priorities of the Bank of Georgia. We are always ready to support such a business that successfully develops its activities, exports and constantly takes care of development", said Grigol Saliashvili, Director of the Small and Medium Business Sales Department of the Bank of Georgia.

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