

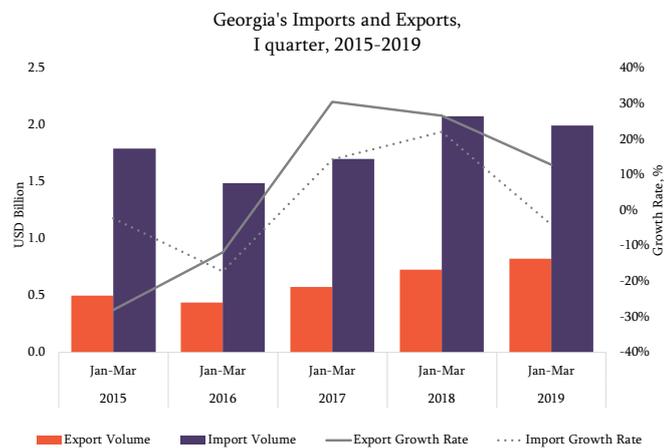
The first quarter of 2019 produced some interesting figures in Georgia's external trade. In this period, external trade was recorded with a total of 121 countries. The data analysis shows that in the first quarter of 2019, compared with the corresponding period of the previous year, Georgia's export has increased while the country's import decreased. The analysis of Georgian trade based on import origin and export destination countries reveals that the volume of export has increased the most to Russia while the biggest decrease in imports was recorded with France.

In the first quarter of 2019, Georgia's foreign trade turnover amounted to US\$ 2.8 bln, which is only 0.4% higher compared with the corresponding period of the previous year.

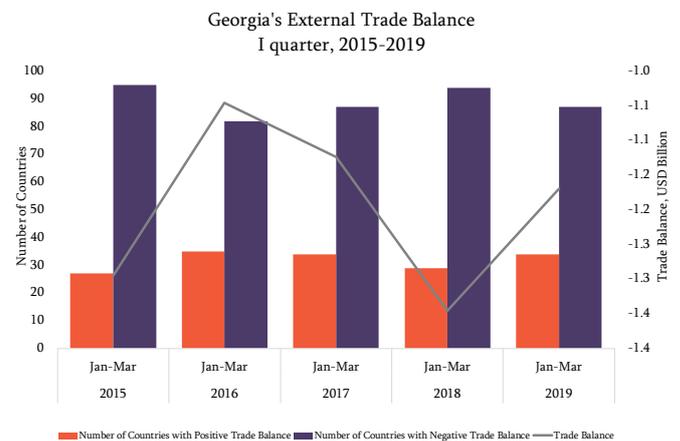
In the first quarter of 2019, Georgian exports amounted to US\$ 0.8 bln, which is 12.8% higher than the amount of exports recorded in the corresponding period of 2018. Similarly, for the first quarter of 2019, Georgian imports amounted to US\$1.9 bln, a 4% decrease compared to the first quarter of 2019.

Looking at the data of the first quarters of the past years, starting with the January-March period of 2015, the first quarter of 2019 saw exports reach their highest recorded share of Georgia's external trade turnover at 32.6%.

Since 2017, Georgian exports have recorded a higher growth rate than Georgian imports. Meanwhile, after the first quarter of 2017, both Georgian exports as well as Georgian imports have shown a positive growth rate and this trend continued until the first quarter of 2019, when Georgian imports decreased by 4%.



Source: National Statistics Office of Georgia

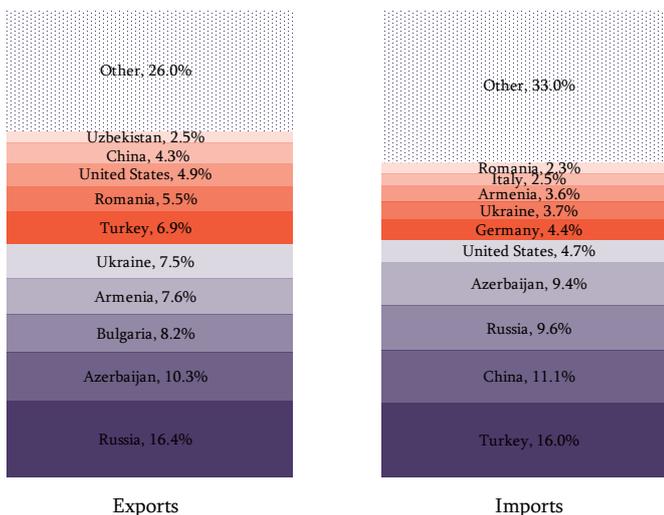


Source: National Statistics Office of Georgia

In the first quarter of 2019, Georgia's external trade balance amounted to negative \$1.17 bln, which is a \$0.18 bln increase compared to the corresponding period of 2018.

In the first quarter of 2019, Georgia had a positive trade balance with 34 countries, that is 17.2% (five countries) increase compared to the corresponding period of 2018. The negative trade balance was observed with 87 countries. It is worth noting that in the first quarter of 2018, the negative trade balance was reported with 94 countries.

Georgian Imports and Exports by Countries, I quarter, 2019



Source: National Statistics Office of Georgia

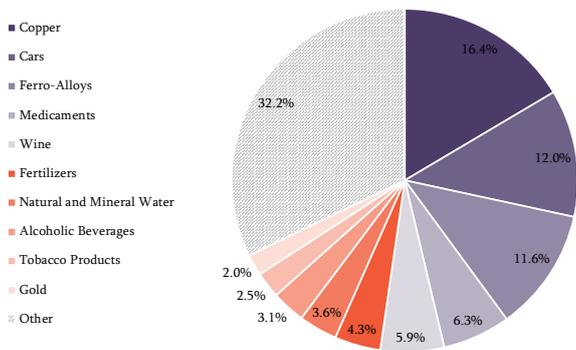
In the first quarter of 2019, the main export partners for Georgia were Russia, Azerbaijan, and Bulgaria with Russia receiving 16.4%, Azerbaijan - 10.3% and Bulgaria - 8.2% of Georgia's total exports. In the first quarter of 2019, compared with the corresponding period of 2018, the export volume has increased the most to Russia and Ukraine by 37.8% and 98.2%, respectively.

In the first quarter of 2019, the main import partners for Georgia were Turkey (16.0% of total imports), China (11.1%), and Russia (9.6%). In the first quarter of 2019, compared with the corresponding period of 2018, the import volume has decreased the most from France and Ukraine by 60.1% and 30.5%, respectively. The decline in imports from Ukraine was mainly due to lower imports of cigarettes, imports declined substantially from France, due to lower imports of one-off import items.

74% of Georgian exports are concentrated among the ten main export partners, this figure marks 8 percentage points increase compared to the corresponding period of 2015. In the first quarter of 2019, Georgian imports are slightly more diversified with the ten main import partners contributing 67% of Georgian imports that is 3 percentage points decrease compared with the corresponding period of 2015.

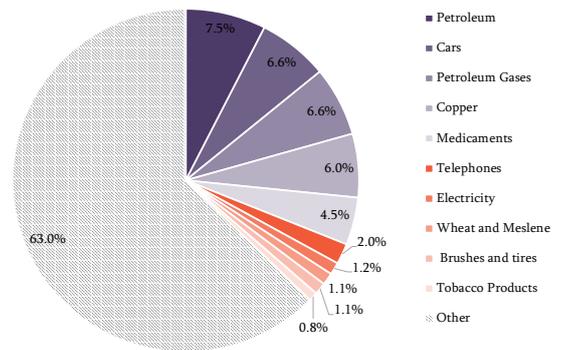
Interestingly, the two EU member states, Romania and Bulgaria, feature in Georgia's top ten export partners.

Major Exported Goods, I quarter, 2019



Source: National Statistics Office of Georgia

Major Imported Goods, I quarter, 2019



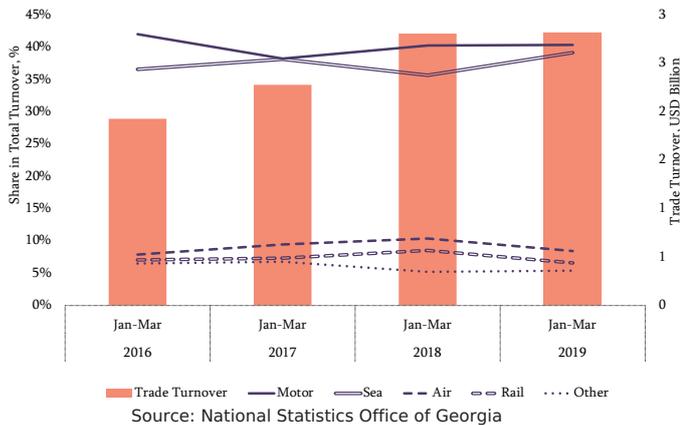
Source: National Statistics Office of Georgia

In the first quarter of 2019, Georgia's ten most exported goods amounted to 67.8% of total exports. Georgia relies more on imported products and, therefore, the structure of imports is more diverse with the ten most imported products amounting to only 37% of total imports.

Interestingly, the contributions of four product types fell in both the list of main exports and main imports, namely cars, copper, medicaments, and tobacco products. This can partially be explained by the re-export of these four product types.

In the first quarter of 2019, compared with the corresponding period of the previous year, the import of the mixed commodity and petroleum has decreased the most by 98.1% and 19.5%, respectively.

Georgia's External Trade Turnover by Modes of Transportation, I quarter, 2016-2019



Source: National Statistics Office of Georgia

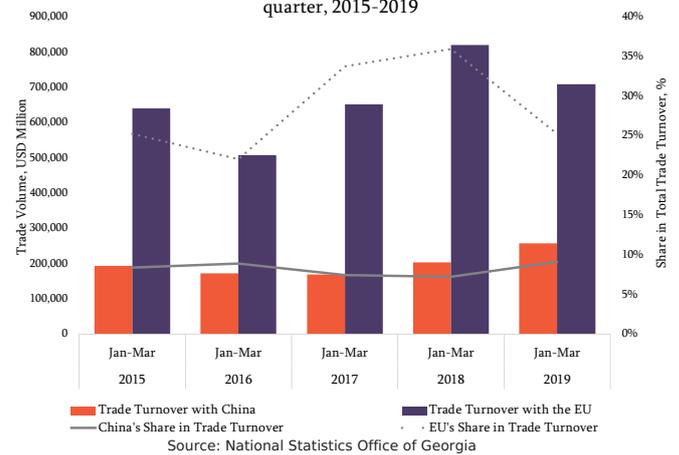
External trade by means of motor transport and sea transport represent the highest shares in total external trade (averaging at 40% and 37% respectively over the last four years (1st quarters)). In the same period, external trade by air transport averaged at 9% and external trade by rail transport amounted to 7%.

In the first quarter of 2019, compared with the corresponding period of 2018, the volume of trade turnover conducted by rail and air transports decreased by 22.3% and 18.9%, respectively, while the volume of trade turnover conducted by motor and sea transports increased by 0.8% and 10.3%, respectively.

China and the EU have become important trading partners for Georgia since the signing of both the Association Agreement between Georgia and the EU, introducing the DCFTA, in June 2014 (entered into force in July 2016), and the free trade agreement with China in May 2017 (entered into force in January 2018).

In the first quarter of 2019, compared with the corresponding period of 2018, a 26.8% increase (72.6% exports; 21.7% imports) in trade turnover with China and 13.5% decrease (-6.4% exports, -15.9% imports) in the case of the EU was observed. It is worth noting that over the past four years (2014-2018), Georgia's trade turnover with the EU is characterized by seasonality with the trade turnover decreasing in the first half of each year and increasing in the second half of the year.

Georgia's External Trade Turnover with China and the EU, I quarter, 2015-2019



Source: National Statistics Office of Georgia

Basic Economic Indicators	2014	2015	2016	2017	2018
Nominal GDP (mIn USD)	16507.8	13988.1	14377.9	15086.5	16207.1*
GDP per Capita (USD)	4438.3	3754.9	3857.3	4046.8	4345.5*
GDP Real Growth (%)	4.6%	2.9%	2.8%	4.8%	4.7%*
Inflation	3.1%	4.0%	2.1%	6.0%	2.6%
FDI (mIn USD)	1,817.7	1,665.6	1,565.8	1,894.5	1,232.4*
Unemployment Rate (%)	14.6%	14.1%	14.0%	13.9%	12.7%
External Debt (mIn USD)	4,199.8	4,314.9	4,515.7	5,177.4	5,434
Poverty Rate (relative)	21.4%	20.2%	21.0%	22.3%	-

*Preliminary data