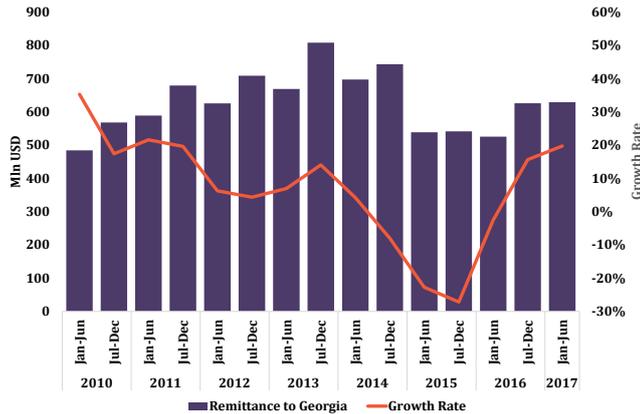


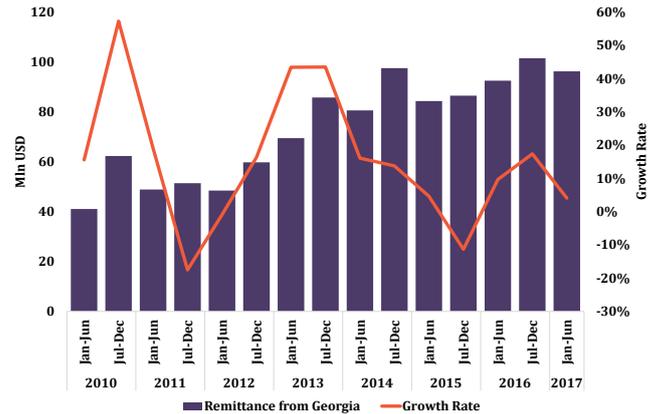
In the first half of 2017:

- Remittance inflows to Georgia amounted to \$629 Mln
- Remittance outflows from Georgia amounted to \$96.3 Mln
- Inflow from Russian Federation, United States, Italy, Greece, Israel, and Turkey amounts to 81% of total remittance inflows to Georgia

The Dynamics of Remittances to Georgia and Its Growth Rate, 2010-2017



The Dynamics of Remittances from Georgia and Its Growth Rate, 2010-2017

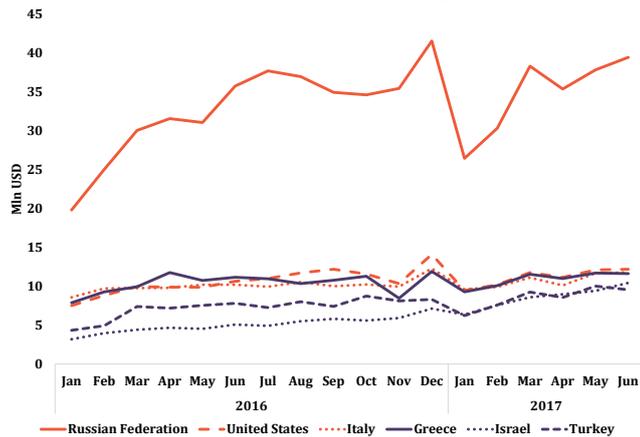


Source: National Bank of Georgia

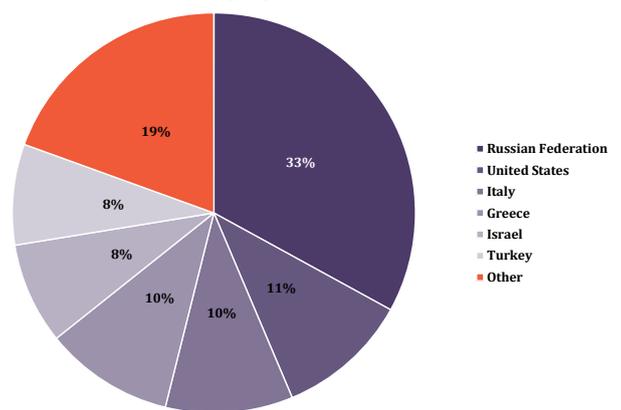
In the first half of 2017, total remittance inflows in Georgia amounted to \$629 Mln, which is 20% higher compared to the same value for the corresponding period of 2016. Generally speaking, throughout the observed time period the growth rate of remittance inflows to Georgia has been positive. The only exception, peaking at -35% in August 2015, was from the second half of 2014 till the end of 2015 when remittance inflows to Georgia were lower compared to the corresponding period of the previous year. The general dynamics of remittance inflows to Georgia are seasonal. Throughout the years increases are observed during holiday and vacation periods.

In the first half of 2017, total remittance outflows from Georgia amounted to \$96.3 Mln, which is 4% higher compared to the same value for the corresponding period of 2016. The dynamics of remittance outflows from Georgia, as well as its growth rate, do not follow any particular trend in the observed period.

Top Six Countries by Remittances to Georgia, 2016-2017



The Structure of Remittances to Georgia by Countries, Jan-Jun 2017



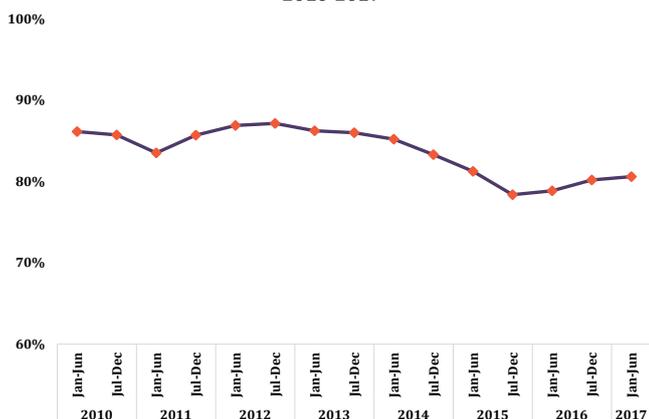
Source: National Bank of Georgia

The composition of remittance inflows to Georgia by countries of origin is dominated by the Russian Federation. In the first half of 2017, the remittances from the Russian Federation to Georgia amounted to \$208 Mln (33% of total remittances), when the same indicator for the second place holder United States was only \$67 Mln (11% of total remittances). It is important to note that in the same period, remittance inflows from 28 European Union countries (including Great Britain) amounted to \$191 Mln which is 30% of total inflows to Georgia.

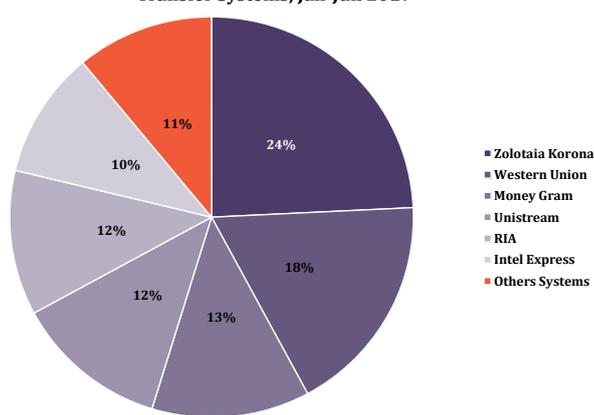
In the first half of 2017, Ukraine was the only country in the top 15 countries by remittance inflows for which inflows and outflows were relatively close to each other (\$11.9 Mln and \$11.2 Mln respectively).

The biggest remittance outflow from Georgia was to the Russian Federation. This amounted to \$41.2 Mln in the first half of 2017, which was followed by Greece, Turkey, Ukraine, and Azerbaijan. It is interesting that three countries (Russian Federation, Greece, and Turkey) appear in Georgia's top five countries lists with regard to remittances to and from Georgia.

Top 6 Countries' Share in Total Remittances to Georgia, 2010-2017



The Structure of Remittances to Georgia by Money Transfer Systems, Jan-Jun 2017



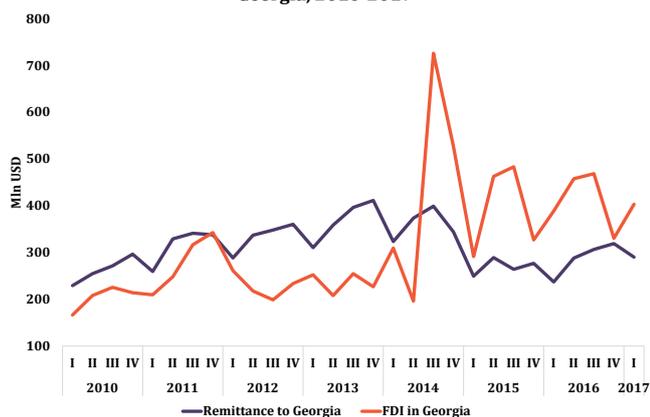
Source: National Bank of Georgia

In total, remittances from the top six countries (Russian Federation, United States, Italy, Greece, Israel, and Turkey) amounted to 81% of total remittance inflows to Georgia in the first half of 2017. Noticeably, throughout the last 8 years the top six countries' share in total remittance inflows has a slight decreasing tendency.

In the first half of 2017, when Georgia had remittances to and from 182 countries, 44 destinations appear where remittances from Georgia exceed remittances to Georgia. Out of these 44 countries the most astounding is the Republic of Moldova (net remittance: \$0.7 Mln) followed by Kyrgyzstan, India, Ghana, and Bangladesh.

The composition of remittance inflows to Georgia in the first half of 2017 according to money transfer systems is dominated by a single Russian company. "Zolotaia Korona" was responsible for 24% of total remittance inflows to Georgia in the first half of 2017.

Quarterly Dynamics of Remittances to Georgia and FDI in Georgia, 2010-2017



Source: National Statistics office of Georgia
National Bank of Georgia

There is an interesting trend when comparing foreign direct investments in Georgia and remittances to Georgia quarterly. In the years 2010-2014 foreign direct investment was always lower than remittances. The third quarter of 2014 can be seen as a breakpoint in this trend when foreign direct investments exceeded remittance inflows by \$327 Mln. From this point on, remittances have been lower than foreign direct investments in Georgia.

Three countries appear in both top ten lists for remittances to Georgia and foreign direct investments in Georgia. They are: Azerbaijan, Turkey, and United States.

Basic Economic Indicators	III 2015	IV 2015	2015	I 2016	II 2016*	III 2016*	IV 2016*	2016*	I 2017*
Nominal GDP (mln USD)	3545.0	6682.3	13988.1	3018.8	3642.6	3767.3	3784.5	14332.8	3195.7
Per capita GDP (USD)	950.5	994.7	3766.6	811.4	979.1	1012.6	1017.2	3852.5	859.5
GDP real growth (%)	2.5%	2.9%	2.9%	2.6%	3.0%	2.3%	2.8%	2.7%	5.1%
Consumer Price Index (annual average)			4.0%					2.1%	
Foreign Direct Investment (USD)	489.0	267.9	1564.5	388.6	445.3	463.3	330.3	1645.4	403.3
Unemployment Rate (%)			12%					11.8%	
External Public Debt (mln USD)	4195	4315	4315	4396	4404	4461	4515	4515	4581
Poverty Rate (relative)			20.1%					20.6	

Source: National Statistics Office of Georgia
National Bank of Georgia
Ministry of Finance

Preliminary data*