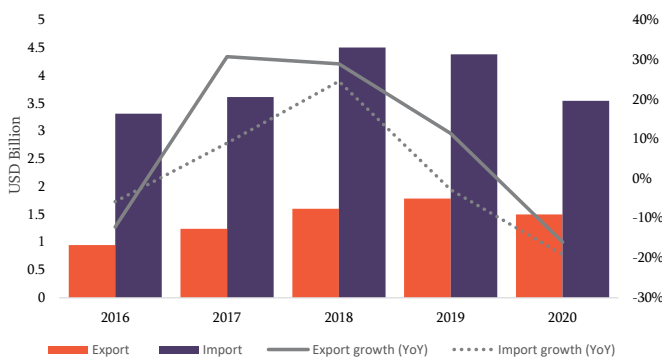


- In the first half of 2020, external trade turnover in Georgia amounted to 5.054 bln USD, which is 18% less than corresponding period of 2019.
- Georgian exports amounted to 1.5 bln in January-June 2020, which is 16% less than in January-June of 2019. Moreover, Georgian imports deteriorated even more by reaching 3.5 bln USD, which is 19% less than in the first half of 2019.
- In the first half of 2020, Georgian trade deficit decreased by 0.55 bln USD (21%), compared to the first half of 2019.
- There are more EU member states amongst Georgia's top 10 export partners in the first half of 2020, compared to the first half of 2019.
- In the period of January-June 2020, total trade turnover with the EU and Russia decreased by 22% and 16% respectively, but increased with China by 10% compared to the corresponding period of last year.
- Georgia's main trading partners in the first half of 2020 were Turkey, Russia and China. Their shares in Georgia's total trade turnover were 14%, 12% and 10% respectively.
- 77.4% of Georgian exports are concentrated amongst the top ten partners. Moreover, top ten import partners occupy 69.4% of total imports.

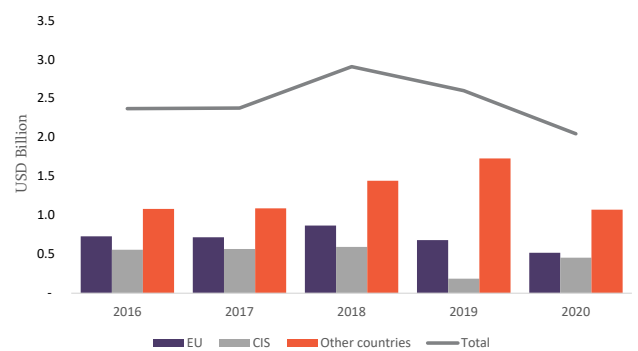
In the first half of 2020, Georgian exports experienced the drop by 16% compared to the first half of 2019. Moreover, Georgian imports dropped even more by 19%. It is worth noting that the first half of 2017 was characterized with the highest export growth rate (31%), while the first half of 2018 saw the highest import growth rate.

Georgia's Imports and Exports and growth rates YoY (January-June, 2016-2020)



Source: National Statistics Office of Georgia

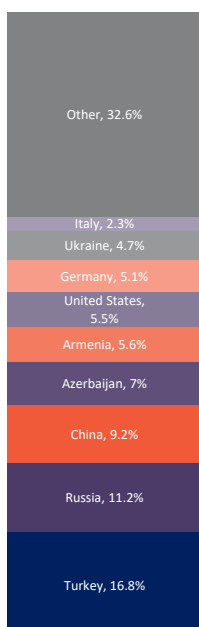
Trade Deficit of Georgia with the EU, CIS and other countries (January-June, 2016-2020)



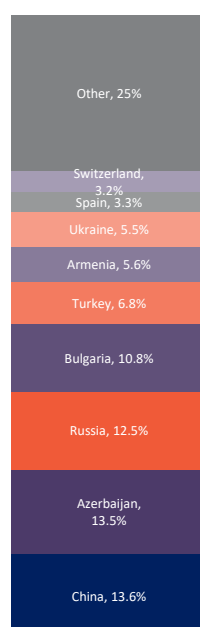
Source: National Statistics Office of Georgia

In the first half of 2020 Georgia's trade balance amounted to negative 2.046 bln USD, which is 0.55 bln USD (21%) decrease compared to the corresponding period of 2019. The first half of 2018 was characterized with the highest trade deficit in the period 2016-2020 (2.9 bln USD).

Georgian Imports by countries (January-June, 2020)



Georgian Exports by countries (January-June, 2020)



Source: National Statistics Office of Georgia

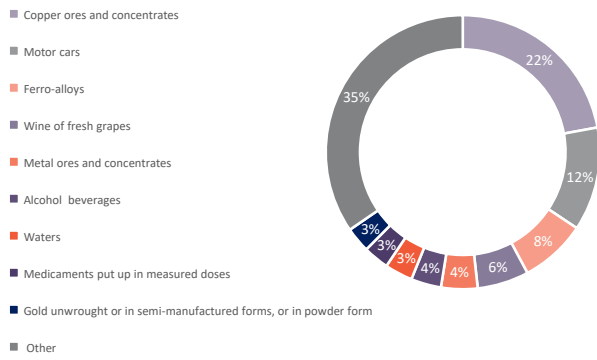
In the first half of 2020 the main export partners were China, Azerbaijan and Russia, each of them having a share of 13.6%, 13.5% and 12.5% respectively. It is worth noting that in the first half of 2019 main export partners were Russia, Azerbaijan and Romania with shares of 14.6%, 12.1% and 6.2%. China's share in the same period was only 2.9%.

In the first half of 2020 the main import partners were Turkey (16.8% of total imports), Russia (11.2%) and China (9.2%). On the contrary, the first half of 2019 was characterised with Turkey, China and Azerbaijan amongst top three partners with shares of 16.5%, 9.8% and 6.8%.

77.4% of Georgian exports are concentrated amongst the top ten partners, which is 4.1 percentage points higher than the similar figure of 2019. Imports are slightly more diversified with top ten partners having 69.4% of total imports, which is 3.6 percentage points higher than it was in 2019.

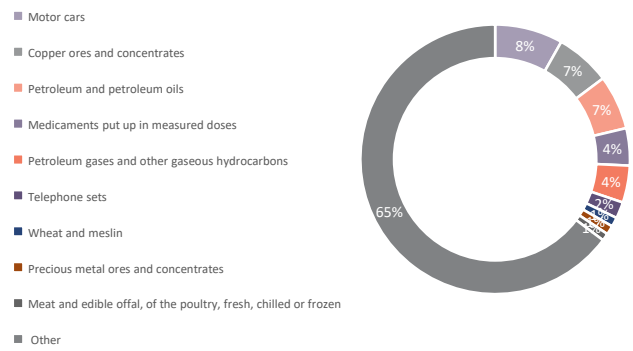
It is worth noting that while in 2019 there were only two EU member states amongst top ten export partners (Bulgaria and Romania), in the first half of 2020 there are three of them (Bulgaria, Switzerland and Spain).

Major Exported Goods (January-June, 2020)



Source: National Statistics Office of Georgia

Major Imported Goods (January-June, 2020)



Source: National Statistics Office of Georgia

In the first half of 2020, Georgia's ten most exported goods amounted to 65% of total exports, which is 2% less than in 2019. Georgia relies more on imported products and, therefore, the structure of imports is more diverse with the ten most imported products amounting to only 35% of total imports. Interestingly, the shares of three product types fell in both the list of main exports and main imports, namely cars, copper, and medicaments. This can partially be explained by the re-export of these product types. The favourable institutional and legislative situation in Georgia significantly lowers import/export costs and makes Georgia a regional hub for reexporting.

In the first half of 2020, compared with the first half of the previous year, there were significant movements recorded amongst export figures of major commodity groups. It is worth noting that in the first half of 2019, copper was the second major exported good with recorded 283.4 mln USD of export, and with its growth to 332.4 mln USD, it has surpassed motor cars. Ferro-alloys remained the third export commodity group with 117.6 mln USD and unchanged export percentage. In the first half of 2020, top three major imported goods have not changed compared to 2019 and include petroleum, motor cars and copper ores.

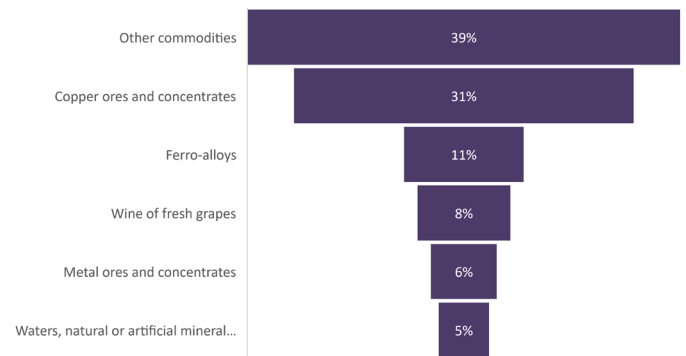
In the recovery phase of COVID-19 crisis it is important to consider the domestic export, defined as export of goods that are produced in Georgia (or imported ones whose value was significantly changed after domestic procession).

Total domestic exports in Georgia in the first half of 2020 recorded 1.079 bln USD, which is 3% less than in the first half of 2019.

Copper ores and concentrates are leading amongst domestic exports as well with 31% and are followed by ferro alloys (11%). Wine of fresh grapes occupies 8% of domestic exports.

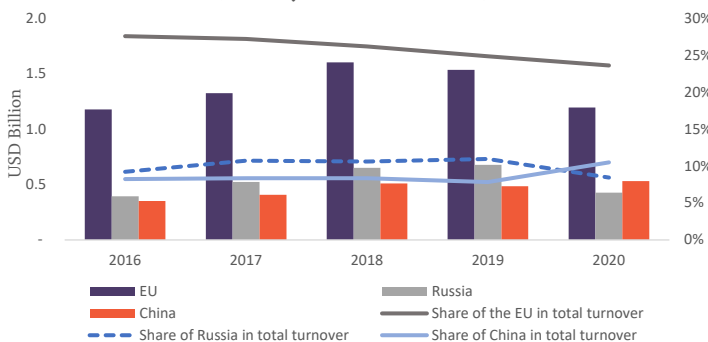
It is worth noting that there are no significant movements amongst top three domestic export commodities compared to previous years.

Domestic Export in Georgia (January-June, 2020)



Source: National Statistics Office of Georgia

Georgia's External Trade Turnover with Russia, the EU and China (January-June, 2016-2020)



Source: National Statistics Office of Georgia

Russia, the EU and China are significant trading partners for Georgia. The trade affairs with the EU and China deepened after signing free trade agreements that entered into force in 2016 and 2017.

In the first half of 2020, compared with the first half of 2019, a 22% decrease (21% decrease in exports; 23% decrease in imports) in trade turnover with the EU and 16% decrease (34% decrease in exports, 5% decrease in imports) in the case of Russia was observed. Interestingly, trade turnover with China is characterised with a 10% increase (24% decrease in imports, 290% increase in exports). The increase in exports with China was mostly a result of 526% increase in export of copper ores and concentrates.

In this period, China's and Russia's shares in trade turnover were fluctuating, while share of the EU was characterised with the tendency of steady decrease.

Basic Economic Indicators	2016	2017	2018	2019	2020 Q1
Nominal GDP (mln USD)	15 141.7	16 248.5	17 596.6	17 736.6*	3 780.3*
GDP per Capita (USD)	4 062.1	4 358.5	4 722.0	4 763.5*	1 017.1*
GDP Real Growth (%)	2.9%	4.8%	4.8%	5.1%*	2.2%*
Inflation	2.1%	6.0%	2.6%	4.9%	-
FDI (mln USD)	1 650.3	1 962.6	1 265.2	1 267.7*	165.4*
Unemployment Rate (%)	14.0%	13.9%	12.7%	11.6%	11.9%
External Debt (mln USD)	4 516	5 177	5 434	5 741	5 689
Poverty Rate (relative)	21.0%	22.3%	20.5%	20.1%	-

*preliminary data