

2019 produced some interesting figures in Georgia's external trade. In this period, external trade was recorded with a total of 124 countries. In 2019, Georgia's foreign trade turnover amounted to US\$ 12.8 bln, which is 3% higher compared with the previous year. The data analysis shows that in 2019, compared with the previous year, Georgia's export has increased, while the country's import decreased.

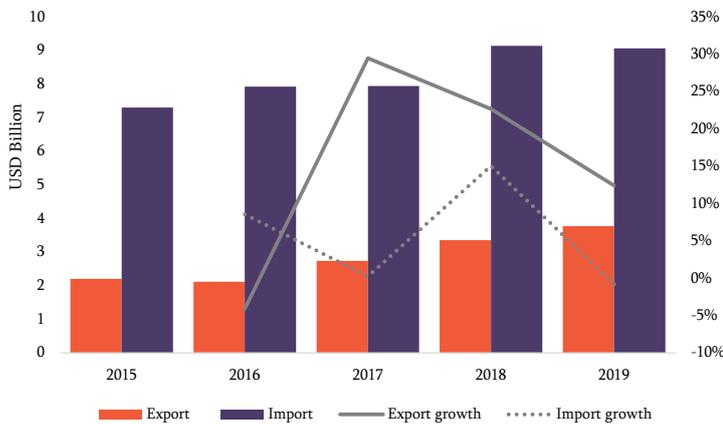
In 2019, Georgian exports amounted to US\$ 3.7 bln, which is 12% higher than the amount of exports recorded in 2018. On the other hand, for 2019, Georgian imports amounted to US\$ 9.06 bln, a 1% decrease compared to 2018.

The analysis of Georgian trade based on export to neighboring countries (Turkey, Armenia, Azerbaijan, Russia) reveals that the export has increased to Armenia (48%) and to Russia (13%), while exports to Turkey and Azerbaijan decreased (13% and 1% respectively).

Looking at the data of past years, starting with 2015, 2019 saw exports reach their highest recorded share of Georgia's external trade turnover at 29%.

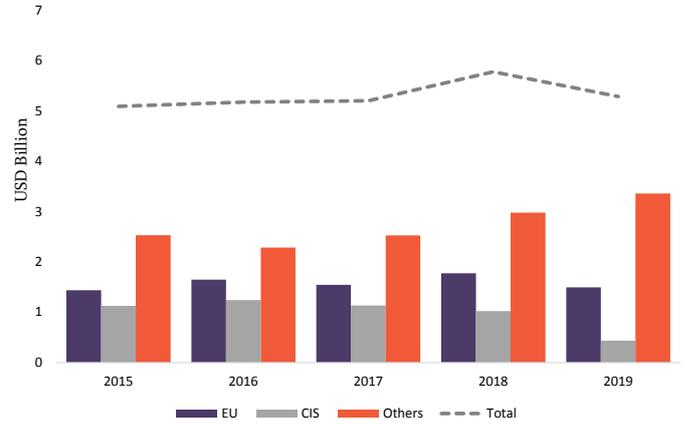
Since 2017, Georgian exports have recorded a higher growth rate than Georgian imports. After 2017, both Georgian exports as well as Georgian imports have grown and this trend continued until 2019, when Georgian imports decreased by 1%.

Georgia's Imports and Exports  
2015-2019



Source: National Statistics Office of Georgia

Trade Deficit of Georgia with other countries  
2015-2019

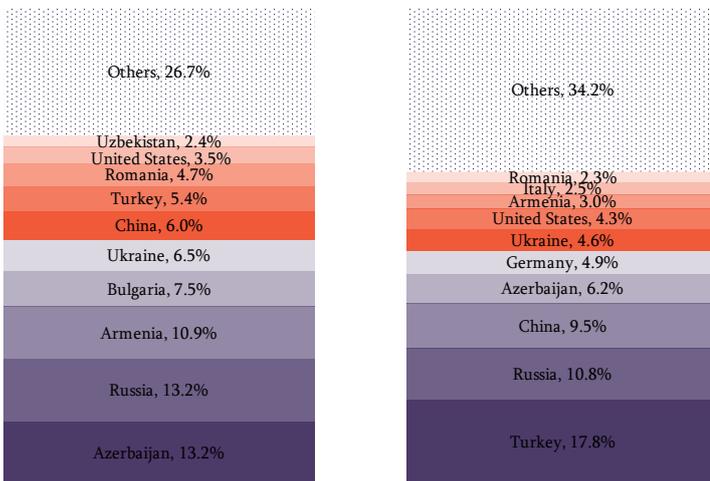


Source: National Statistics Office of Georgia

In 2019, Georgia's external trade balance amounted to negative \$5.2 bln, which is a \$0.49 bln decrease compared to the corresponding period of 2018.

In 2019, Georgia had a positive trade balance with 47 countries, that is identical compared to the statistics of 2018. The negative trade balance was observed with 90 countries. It is worth noting that in the 2018, the negative trade balance was reported with 95 countries.

Georgian Imports and Exports by countries  
2019



Exports

Imports

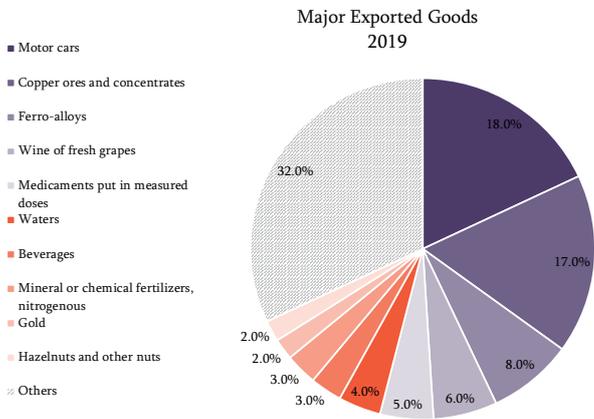
Source: National Statistics Office of Georgia

In 2019, the main export partners for Georgia were Azerbaijan, Russia, and Armenia with Azerbaijan and Russia each receiving 13.2%, and Armenia - 10.9% of Georgia's total exports. In 2019, compared with 2018, the export volume has increased the most to Armenia and Romania by 47.9% and 207.7%, respectively.

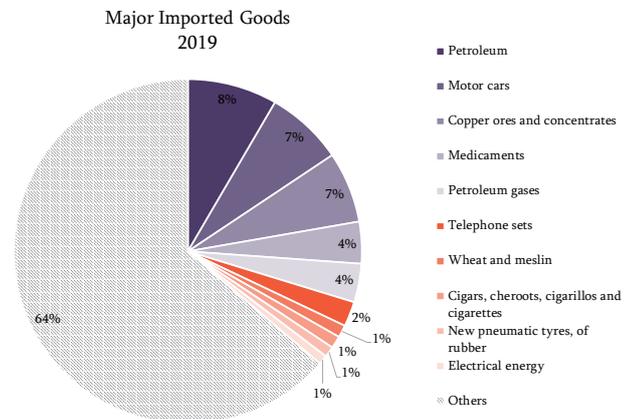
In 2019, the main import partners for Georgia were Turkey (17.8% of total imports), Russia (10.8%), and China (9.5%). In 2019, compared with 2018, the import volume has decreased the most from France and Ukraine by 37.68% and 19.22%, respectively.

73.3% of Georgian exports are concentrated among the ten main export partners, this figure marks 6.9 percentage points increase compared to the corresponding period of 2015. In 2019, Georgian imports are slightly more diversified with the ten main import partners contributing 65.8% of Georgian imports that is 0.2 percentage points decrease compared with the corresponding period of 2015.

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



Source: National Statistics Office of Georgia



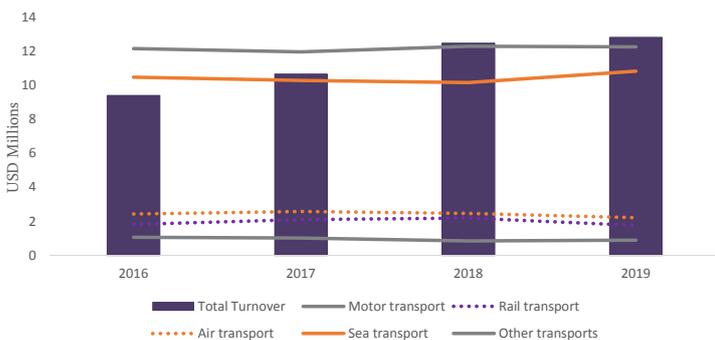
Source: National Statistics Office of Georgia

In 2019, Georgia's ten most exported goods amounted to 68% 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 36% of total imports.

Interestingly, the contributions 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.

In 2019, compared with the previous year, there were significant movements recorded amongst export figures of major commodity groups. It is worth noting that in 2018, copper was the major exported good with recorded 504.5 mln USD export, but despite its growth to 651.6 mln USD, it was surpassed by export statistics of motor cars, which achieved 687.7 mln USD. Ferro-alloys remained the third export commodity group with 303 mln USD. In 2019 top major imported goods have not changed compared to 2018 and include petroleum, motor cars and copper ores.

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



Source: National Statistics Office of Georgia

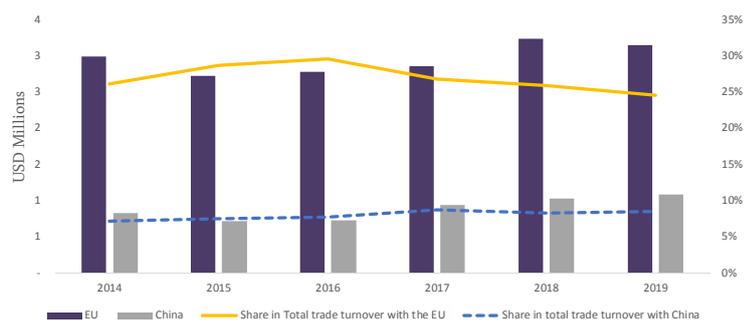
External trade by modes of motor transport and sea transport represent the highest shares in total external trade (averaging at 43.52% and 37.33% respectively over the last four years). In the same period, external trade by air transport averaged at 8.67% and external trade by rail transport amounted to 7.06%. In 2019 motor transport had the highest share of total external trade, which accounted for 43.8%, while rail transports had the lowest share of 6.3%.

In 2019, compared with 2018, the volume of trade turnover conducted by rail, air and motor transports decreased by 20.02%, 10.53%, and 0.25% respectively, while the volume of trade turnover conducted by sea transports increased by 6.76%.

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 2019, compared with 2018, a 2.77% decrease (13% increase in exports; 7% decrease in imports) in trade turnover with the EU and 5.27% increase (14.94% exports, 2.97% imports) in the case of China was observed. It is worth noting that over the past four years (2016-2019), Georgia's share of trade turnover with the EU is characterized by tendency of decrease, while the share of trade turnover with China has slightly increased over these years.

Georgia's External Trade Turnover with China and the EU 2014-2019



Source: National Statistics Office of Georgia

Basic Economic Indicators	2015	2016	2017	2018	2019(I)	2019(II)	2019 (III)
Nominal GDP (mln USD)	14,948.2	15,141.7	16,248.5	17,596.6	3823.0	4398.8	4,606.0
GDP per Capita (USD)	4,012.6	4,062.1	4,358.5	4358.5	1026.7	1179.0	1,237.0
GDP Real Growth (%)	3.0%	2.9%	4.8%	4.8%	5.0%	4.6%	5.8%
Inflation	4.0%	2.1%	6.0%	2.6%	-	-	-
FDI (mln USD)	1,792.1	1,650.3	1,962.6	1,262.5	287.5	204.1	417.3
Unemployment Rate (%)	14.1%	14.0%	13.9%	12.7%	-	-	-
External Debt (mln USD)	4,314.9	4,515.7	5,177.4	5,434	5,388	5,438	5,355.6
Poverty Rate (relative)	20.2%	21.0%	22.3%	20.5%	-	-	-