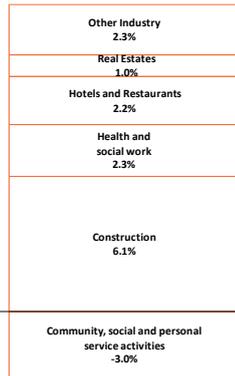


During the first half of 2016 compared to the corresponding period of 2015:

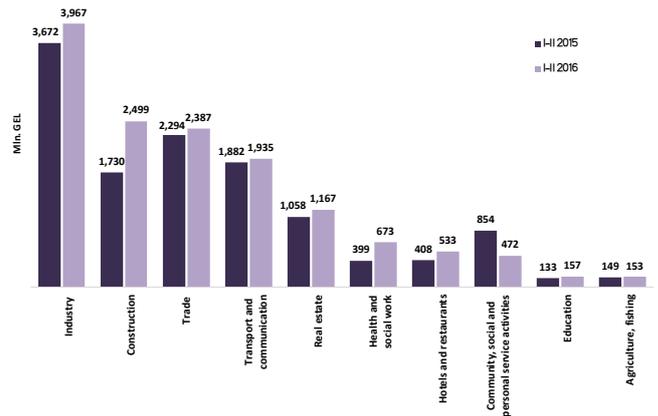
- Production value in the business sector increased by 10.8% as well as increases turnover (13.0%);
- There was an increase in the number of people employed in the business sector (5.8%, 32 400 people) and the average monthly remuneration (5.9%, 53.3 GEL).

The Struction of Total Production Value Growth, I - II Quarters, 2016



Growth of total production value (10.8%)

Production value in Business Sector by Economic Activity, I-II Q. 2016

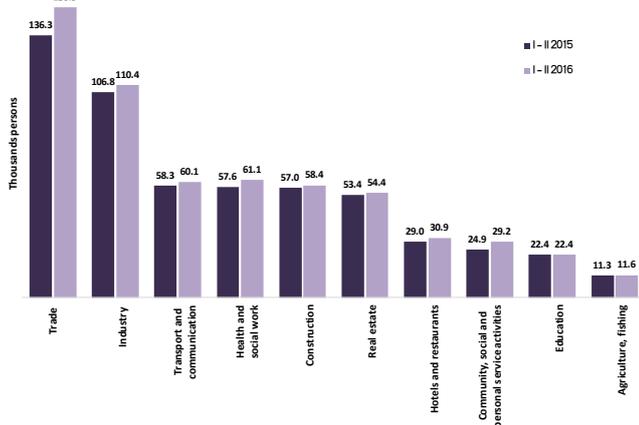


Source: National Statistics Office of Georgia

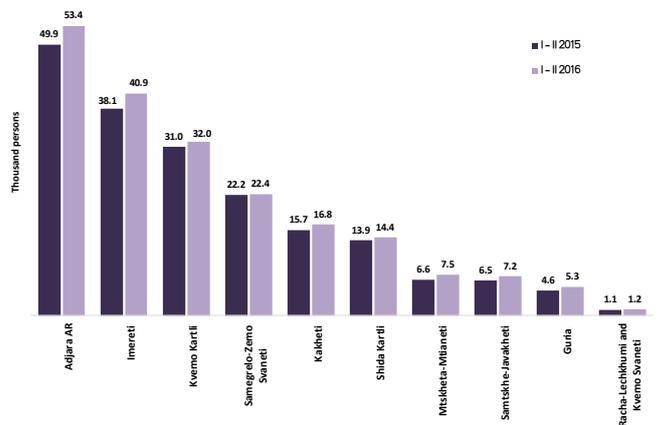
In the first two quarters of 2016, compared to the corresponding period of 2015, production value in the business sector increased significantly (10.8%). This growth is mainly attributable to increased production in fields such as: construction (44.5%, 768.9 mln. GEL), health and social work (68.7%, 274 mln. GEL), hotels and restaurants (30.8%, 125.7 mln. GEL) and real estate (10.3%, 108.6 mln. GEL). However, production decreased in community, social and personal service activities (-44.7%, -382 mln. GEL), which had a significantly negative effect (-3.0%) on the increase of total production (10.8%).

In the first two quarters of 2016, the turnover of firms in business sector also increased (13.0%, 3.1 bln. GEL). In this period the gap between turnover and production value amounted to 13.0 bln. GEL while in the corresponding period in 2015 it was 11.3 bln. GEL. This might associate the accelerate of economic activities in the first half of 2016.

Number of Persons Employed in Business Sector by Economic Activity, I-II Q. 2016



Number of persons employed in Business Sector by Region, I-II Q. 2016



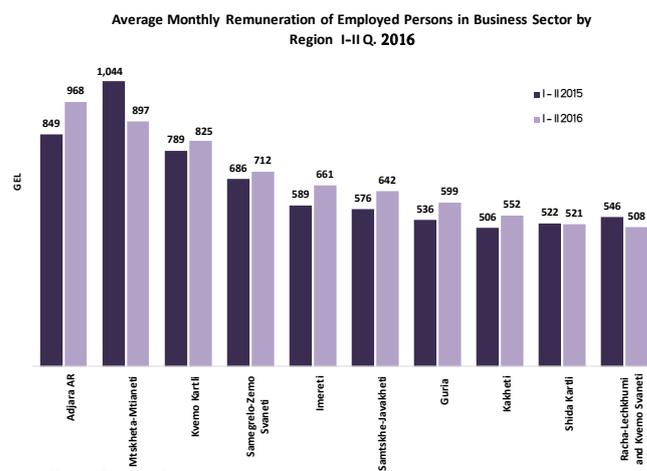
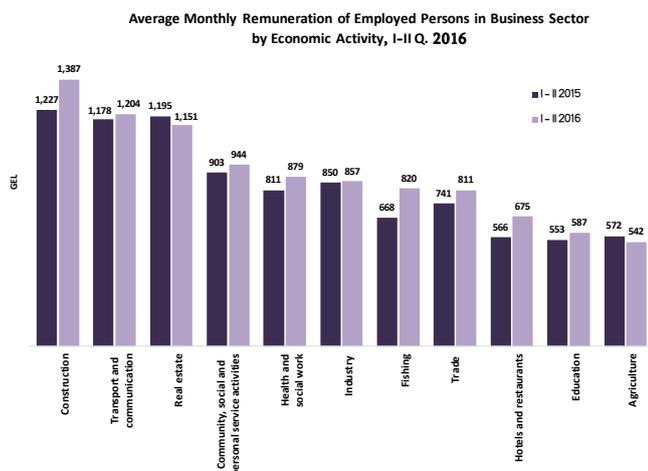
Source: National Statistics Office of Georgia

In the first half of 2016, compared to the same period of 2015, the number of people employed in the business sector increased (5.8%, 32 400 people). It should be noted that the number of people employed increased in every field of the business sector. The most significant increase was in trade (10.7%, 14 600 people), manufacturing (3.3%, 3 500 people) and health and social work (6.1%, 3 500 people). Interestingly, despite the reduced production in community, social and personal service activities, there was a significant increase in the number of people employed in this sector (17.1%, 4 300 people).

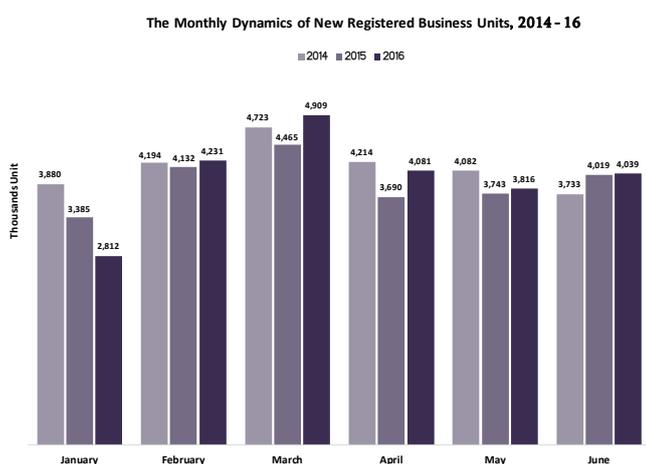
According to the first two quarters of 2016, the largest proportion - 67.7% - of employed people in the business sector are in Tbilisi. In the given period, the number of employed persons in Tbilisi has significantly increased (4.8%, 17 300 people). The level of employment has increased in every region of Georgia. In particular, it has increased in Adjara (6.9%, 3 500 people), Imereti (7.6%, 2 900 people), Kakheti (6.7%, 1 100 people) and Kvemo Kartli (3.2%, 1 000 people).

In the first half of 2016, compared to the same period of 2015, average monthly remuneration of employed people increased (5.9%, 53.3 GEL). Indeed, the average monthly remuneration has increased in every field of the business sector, except real estate. The most significant increases were in construction (13.0%, 159.7 GEL), fishing (22.7%, 151.9 GEL) and hotels and restaurants (19.2%, 108.8 GEL).

According to the data for the first two quarters of 2016, compared to the corresponding period of 2015, the highest average monthly remuneration is in Tbilisi (1037.2 GEL). It should be taken into consideration that this indicator has increased in most regions except Mtskheta-Mtianeti, Shida Kartli, Racha-Lechkhumi and Kvemo Svaneti. The highest increases were in Adjara (13.9%, 118.5 GEL), Imereti (12.2%, 71.9 GEL), Samtskhe-Javakheti (11.4%, 65.8 GEL) and Guria (11.9%, 63.6 GEL).



Source: National Statistics Office of Georgia



In the first half of 2016, compared to the corresponding period of 2015, the total number of registered business entities has increased (1.9%, 454 units) and results in 23,888 units in total.

Overall, conditions in the business sector in the first two quarters of 2016 has been improved in every aspect including production, employment, remuneration of employed persons and registration. These indicators have improved in all regions and in almost every sector.

Source: National Agency of Public Registry

Basic Economic Indicators	2013	2014	I 2015	II 2015	III 2015	IV 2015	2015	I 2016	II 2016
Nominal GDP (mln USD)	16139.9	16528.5	3325.0*	3407.6*	3545.0*	6682.3*	13959.9*	3018.8*	
Per capita GDP (USD)	3599.6	3680.8	884.5*	913.4*	950.5*	994.7*	3743.1*	811.4*	
GDP real growth (%)	3.3%	4.8%	3.2%*	2.5%*	2.5%*	2.9%*	2.8%*	2.6%*	
Consumer Price Index (annual average)	-0.5%	3.1%					4.0%		
Foreign Direct Investment (USD)	941.9	1 758.4	175.3*	354.7*	489.0*	267.9*	1 351.1*	376.4*	445.3*
Unemployment Rate (%)	14.6%	12.4%					12%		
External Public Debt (mln USD)	4202	4200	3989	4181	4195	4315	4315	4396	4404
Poverty Rate (relative)	21.4%	21.4%					20.1%		

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

Preliminary data*