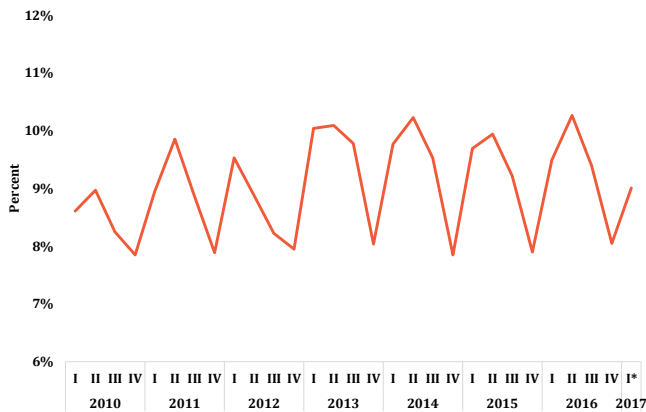


In the agricultural sector:

- In the last eight years, total production output has fluctuated between 7.8% and 10.3% of gross domestic product
- In the first quarter of 2017, foreign direct investment amounted to negative US\$0.3 mln
- In the first half of 2017, the volume of loans in the national currency almost reached the volume of loans in foreign currencies
- In the first half of 2017, the volume of imports was 2.4 times the volume of exports

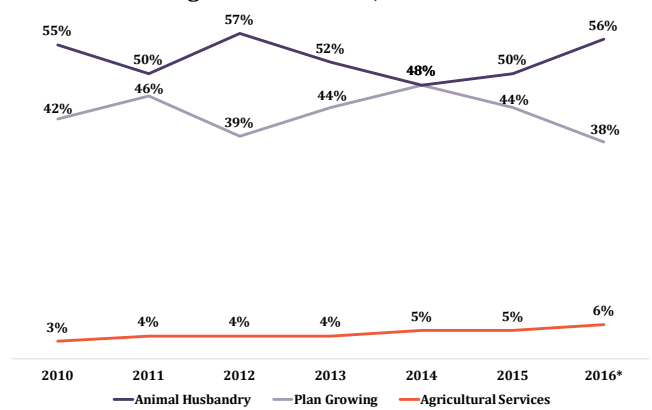
**Agricultural Sector's<sup>1</sup> Share in Total GDP, 2010-2017**



\* Preliminary Data

Source: National Statistics Office of Georgia

**Composition of the Production Output of Agricultural Sector, 2010-2016**

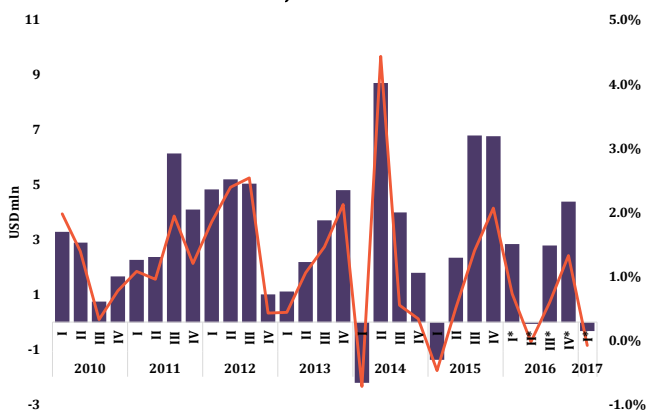


<sup>1</sup> Growing of cereals and other crops n.e.c; Growing of fruit, nuts, beverage and spice crops; Growing of vegetables, horticultural specialties and nursery products; Farming of animals; Agricultural service activities; Forestry and logging; Fishing and fish farming.

In the first half of 2017, the agricultural sector contributed 9% (GEL 635.1 mln) of gross domestic product. Compared to the corresponding period of 2016, this represents a decrease of 0.5 percentage units (GEL -25.6 mln). Throughout the last eight years, the agricultural sector's contribution of gross domestic product has fluctuated between 7.8% and 10.3%.

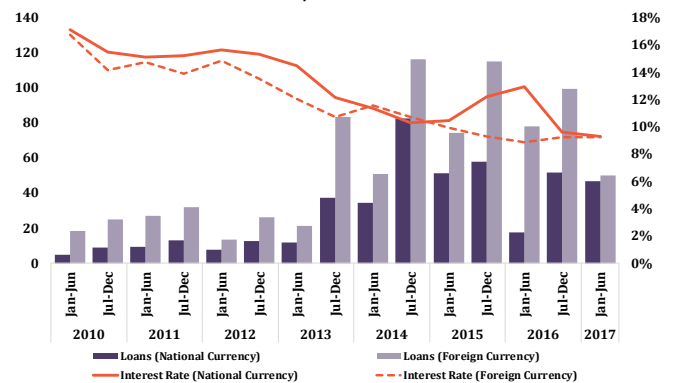
Throughout the last eight years, animal husbandry, followed by plant growing and agricultural services, has been leading in terms of production output in the agricultural sector. Noticeably, in the first quarter of 2017, animal husbandry was responsible for 70% of production output in the agricultural sector. Interestingly, agricultural services is the only category that has increased stably for the last eight years.

**FDI in Agricultural Sector and its Share in Total FDI, 2010-2017**



Source: National Statistics Office of Georgia  
\* Preliminary Data

**Volume of Loans to the Agricultural Sector in National and Foreign Currencies and Interest Rates, 2010-2017**

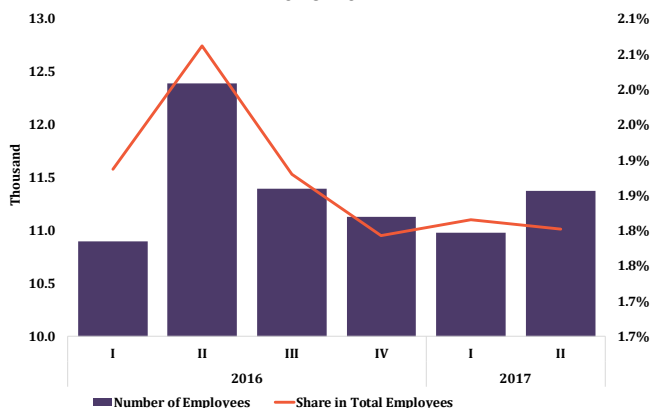


Source: National Bank of Georgia

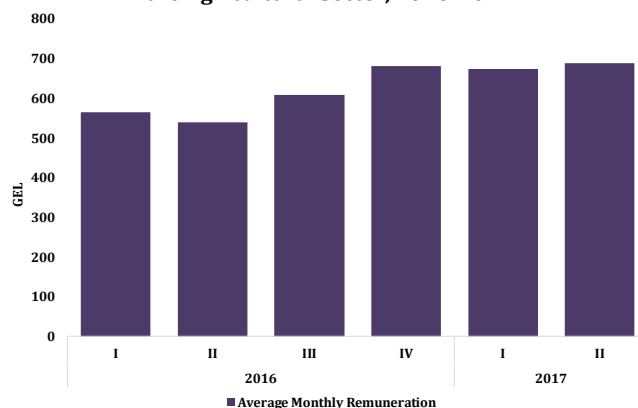
Foreign direct investment in the agricultural sector is scarce and, looking exclusively at the last eight years, it reached its maximum in 2014 when 4.4% (US\$8.7 mln) of total foreign direct investment was out into the agricultural sector. In the first quarter of 2017, foreign direct investments in the agricultural sector amounted to negative US\$0.3 mln.

The volume of loans to the agricultural sector, both in national and foreign currencies, started to increase from 2013. This growth can be partially explained by the Georgian government's active support for the sector. The comparison of loans in foreign and national currencies in the most current period is noteworthy. In the first half of 2017, loans in foreign currency (GEL 49.8 mln) were 6.5% higher than the volume of loans in the national currency, in the second half of 2016 92.7% higher and in the first half of 2016 344.4% higher.

**Number of Employees in the Agricultural Sector, 2016-2017**



**Average Monthly Remuneration of Employees in the Agricultural Sector, 2016-2017**



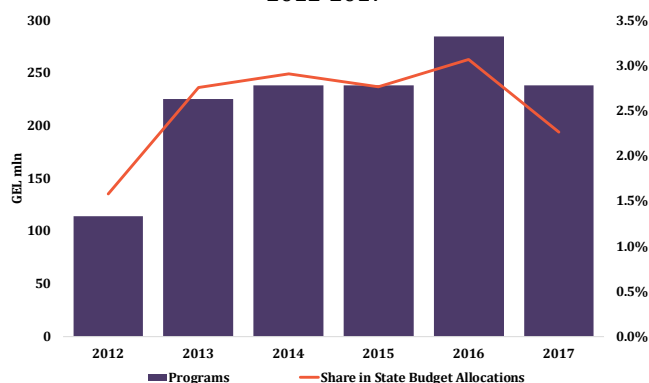
Source: National Statistics Office of Georgia

Before the 2014 general census, the total population of Georgia was officially 4.4 million, of which 54% lived in urban areas and 46% lived in rural areas. After the general census, the official population dropped to 3.7 million, of which 57% live in urban areas and 43% live in rural areas.

According to data from the second quarter of 2017, 11,375 persons are employed in the agricultural sector, which is 8.2% lower than the data from the corresponding period of last year. In the second quarter of 2017, the proportion of persons employed in the agricultural sector amounts to 1.8% of the total number of persons employed in the business sector.

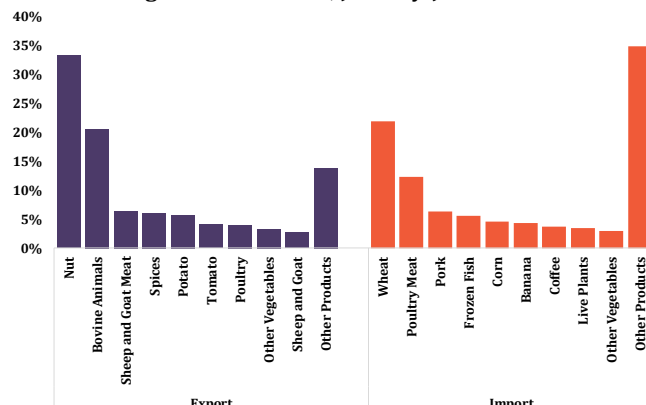
In the second quarter of 2017, the average monthly remuneration for those employed in the agricultural sector was GEL 688. It is noteworthy that, compared to the corresponding period of 2016, the average monthly remuneration has increased by GEL 148 and compared to the previous period (the first quarter of 2017) it has increased by GEL 14.

**Budget Allocation for MoA's Programs and its Share in Total State Budget Allocations, 2012-2017**



Source: Ministry of Finance of Georgia

**Composition of Import and Export of Agricultural Goods, January-June 2017**



Source: National Statistics Office of Georgia

<sup>1</sup>Agriculture Development Program; Food Safety, Plant Protection and Epizootic Trustworthiness; Development of Viticulture and Wine-Making; Implementation of Scientific Research Studies in agriculture; Common Agro Project; Supporting Measures of Agro-Industrial Cooperatives; Modernization of Irrigation Systems and Facilitated Development of Agriculture Sector

In the 2017 state budget of Georgia, the Ministry of Agriculture was given GEL 237.8 mln for seven programs, which is 2.3% of the total budget allocations. Even though three new programs were added in 2017, the total volume of budget allocations for the Ministry of Agriculture's programs has decreased by 16.4% compared to 2016.

In the first half of 2017, the export of agricultural goods from Georgia amounted to US\$89.8 mln. Of these, 33.3% (US\$29.9 mln) of exported goods are hazelnuts and other nuts, followed by live bovine animals and sheep and goat meat.

In the first half of 2017, the volume of imports reached 2.4 times the volume of exports and in total amounted to US\$217.6 mln. Wheat and meslin is the top imported good which amounts to 21.9% (US\$47.7 mln) of total imported agricultural goods. The next most commonly imported agricultural products are pork and poultry.

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\*