

FactCheck



Giga Bukia:

Parliamentary Majority



“Georgia has the strongest economic growth not only throughout the region but in the entire world, actually.”

Nini TSKHVARIASHVILI
FactCheck

On 30 April 2015, at the plenary session of the Parliament of Georgia, a member of the Parliamentary Majority, Giga Bukia, gave a speech about Georgia's economic growth. Mr Bukia emphasised that Georgia's economic growth rate was 4.3% in March 2015 whilst its economic growth rate of the first quarter of 2015 was 3.2%. This, according to Giga Bukia, is the strongest economic growth not only throughout the region but, in fact, in the entire world.

FactCheck took interest in Giga Bukia's statement.

Giga Bukia based his statement upon the preliminary data of the National Statistics Office of Georgia. According to these data, the real GDP growth rate in March 2015 was 4.3% as compared to the analogous period of the previous year whilst the average

economic growth rate of the first quarter of 2015 was 3.2%. In order to verify whether or not the aforementioned growth rate is indeed the strongest in the entire world, FactCheck analysed information obtained from the Trading Economics website.

According to Trading Economics' preliminary data, Azerbaijan's economic growth rate of the first quarter of 2015 was 5.3% as compared to the analogous period of the previous year. Armenia's estimated economic growth rate was 4.1%. As for other member states of the Commonwealth of Independent States, Kyrgyzstan (7%) and Tajikistan (5.3%) showed the highest economic growth rates for the first quarter of 2015. A sharp decrease in the economy (-7%) was registered in Ukraine. Economies plunged in Russia and Belarus as well. The GDPs of these countries shrank by 2% as compared to the first quarter of 2014.

As for Europe's developed nations, the real data about

their economic growth rates of the first quarter of 2015 have not yet been published. Therefore, FactCheck considered the prognosis of the changes of GDP for the first quarter of 2015. As illustrated by Table 2, the highest economic growth rate was expected in Macedonia (4.6%) whilst Montenegro was expected to register a decrease in its economy (-2.1%). Georgia is a country with a developing economy. Giga Bukia compared Georgia's economic growth to the data of the world's countries overall which is inappropriate. Usually, developed nations have a slower economic growth rate (see the link) whilst countries with developing economies are characterised with a relatively high economic growth.

According to the prognosis of the International Monetary Fund, Georgia's economy will grow by 2% in 2015. With that economic growth rate, Georgia ranks 137th among 188 nations whilst among the world's 151 developing nations it is listed at number 114.

Table 1: Changes of GDP of CIS Member States

Country	First Quarter of 2015	GDP per capita (USD)
Kyrgyzstan	7%	625
Tajikistan	5.3%	480.6
Azerbaijan	5.3%	3,252.8
Armenia	4.1%	2,309.7
Georgia	3.2%	3,680.8
Kazakhstan	2.2%	5,424.6
Russia	-2%	6,923.5
Belarus	-2%	4,915.9
Ukraine	-7.6%	2,138.3

Source: Trading Economics

Table 2: Prognosis of Economic Growth Rates of Europe's Developed Nations

Country	Prognosis of the First Quarter of 2015	GDP per capita (USD)
Macedonia	4.6%	5,481
Romania	4.3%	10,034
Poland	4.1%	14,378
Albania	3.7%	4,781
Hungary	3.4%	13,881
Bulgaria	2.0%	7,752
Turkey	1.1%	10,482
Serbia	-1.9%	6,123
Croatia	-1.2%	13,493

Source: Trading Economics

CONCLUSION

FACTCHECK CONCLUDES THAT GIGA BUKIA'S STATEMENT ON GEORGIA HAVING THE HIGHEST ECONOMIC GROWTH IN THE FIRST QUARTER OF 2015, BOTH IN THE REGION AND IN THE WORLD, IS FALSE.



The views expressed in this website are those of FactCheck.ge and do not reflect the views of The FINANCIAL or the supporting organisations



NUTSA ABRAMISHVILI, Schuchmann Wines CEO

“SCHUCHMANN WINES” LAUNCHES NEW TOURISM BUSINESS ACTIVITY

Alongside with wine-making, viticulture, gastronomic and tourist business, “Schuchmann Wines” has started a new tourist activity, which will be presented on the market as “Schuchmann Travel”. The new touristic direction will be generally aimed at inflow of tourists. “Schuchmann Wines” became a leading touristic destination in Kakheti region and top boutique winery inter-

nationally. ... “We have become partners and regional representative of a world leading tour operator. Our aim is to bring in tourists to the country and export Georgian tourist potential to such markets where Georgia is exotic and interesting as a tourist destination. During the past months we've been actively working on creation of corresponding products. Our goal is to promote development of a priority sector for Georgia –

tourism, and popularization of Georgian tourist destinations on foreign markets. We have created wine and gastronomic tour packages which generally include our main direction, such as wine and gastronomic tourism. We have started working on a niche product such as “wine and gastronomy” as well as other interesting tourist directions. The interest is high, Georgia has big potential in this sector”, states Schuchmann Wines CEO Nutsa Abramishvili.



ProCredit Bank gives GEL 20,000 to Algeti National Park



On 9 June 2015 Asmus Rotne, General Director of ProCredit Bank, and David Morrison, Executive Director of the Caucasus Nature Fund, signed a charitable agreement according to which ProCredit Bank will allocate GEL 20,000 to Algeti National Park. The money will go towards improving the infrastructure of the park. The amount is not enough to complete the renovation activities, so the

Fund will cover the rest. As part of the arrangement, a visit to Algeti National Park for the bank's employees is planned. During the visit to the park they will see many beautiful places rich in flora and fauna and will also tour archaeological sites in the area. At the same time employees will take part in the renovation activities organised by the Caucasus Nature Fund.

ProCredit Bank and the Caucasus Nature Fund have been successfully co-oper-

ating for almost five years. Every year the bank allocates a certain amount of money towards improving the infrastructure of our protected areas. During this period of co-operation, the bank has allocated money for the Lagodekhi Protected Area and Vashlovani Nature Reserve, and now for Algeti National Park. In order to protect and preserve Georgia's natural beauty, ProCredit Bank will continue to engage in such charitable activities in the future.

ShowBiz Golden Wave Award Winners Revealed

The FINANCIAL
By MADONA GASANOVA

Radio Holding Fortuna held its annual Golden Wave Music Award ceremony on 11 June. The winners were revealed by a competent jury, as well as by experienced professional staff from all four radio stations. The winner of the nomination "Internet Leader" was revealed by votes from the webpage goldenwave.ge. The main purpose of the ceremony was to stimulate the Georgian music industry. Georgian pop singer Anri Jokhadze became winner of the "Song of the Year" and received a special statue and cash prize worth GEL 5,000.

Golden Wave Award has now been held in Georgia for the second time. "The main purpose of the ceremony is to stimulate the Georgian music industry, which is currently not in the best shape. As a radio business company we are focused on drawing in good music for our audiences, since the largest amount of music comes from local artists and this is especially true for radio Ardaidardo, where 100% of the music is Georgian. Furthermore, we feel a

kind of responsibility to incentivize local performers. Besides the monetary value of the award of GEL 5,000, the awards are mainly a means to express respect for Georgian performers. In this way we are encouraging all people involved in the music industry to create more valuable music. We were thinking of launching this awards ceremony for a long time. The idea for the ceremony has existed for several years. However, due to many general political and economic factors we kept postponing it indefinitely for a "better", more "suitable" time. Last year we finally decided to give it a go, as we realised that there were always going to be some problematic factors that could prevent us from doing it," Tamar Chigogidze, General Director of radio Holding Fortuna, told The FINANCIAL.

Radio Holding Fortuna is the largest radio broadcasting organization, which owns the four most popular musical and informational radio stations: Fortuna, Fortuna Plus, ArDaidardo and Auto Radio. These music stations of the Holding make up more than 65% of the radio market of Georgia.

The FINANCIAL was a media partner of the award.

The list of participants of the competition were selected by the most popular and aired songs. 79 songs were nominated in the competition this year.

The winners were as follows: Song of the Year - Anri Jokhadze; Internet Leader - Gela Guralia; Best Female Singer - Nina Sublati; Best Male Singer - Zura Khachidze; Best Duet - Ensemble Kartuli Khmebi and Niaz Diasamidze; Best Group - Gamouvali Mdgomareoba; Best Ensemble - Kartuli Khmebi; Favourite Artists of radio stations: Fortuna - Teatraluri Kvarteti, Fortuna Plus - Sheishen, Avtoradio - Kakhaber and Khanumbiand, and Ardaidardo - Bani; Favourite Artist of Music Box TV - Anri Jokhadze; Best City Song - Ensemble Metekhi; Best Rock Song - Gamouvali Mdgomareoba; and, Best Pop Song - Nodiko Tatishvili.

A special prize was awarded to Tsisperi Trio for their special contribution to the development of the musical field. This is a music project presented by radio holding Fortuna, which contributes to discovering new singers as well as supporting well known performers, composers, and support of this sector.



Irakli Gharibashvili:

Prime Minister of Georgia



"Export to the European Union has been increasing for two consecutive years. We have a 21% growth in the first quarter of this year... exports to China are growing as well."

Ani NADIRASHVILI
FactCheck

On 8 May 2015, during his speech at the Parliament of Georgia, the Prime Minister of Georgia, Irakli Gharibashvili, stated: "The trends of the past two years indicate that the European Union is our main market; that it has to become the main market for our goods. Exports to the European Union increased by 65% during the first year. There was growth in the second year as well. We already have a 21% growth in the first quarter of this year. This shows that the Government of Georgia is working on the diversification of markets... we have growth in China as well."

FactCheck took interest in the accuracy of this statement.

According to the information of the National Statistics Office of Georgia, the overall exports from Georgia amounted to USD 502.9 million in the first quarter of this year. It amounted to USD 695.8 million in the first quarter of 2014. Hence, exports decreased by 28% in the first quarter of 2015.

As the table above indicates, from 2004 to 2014 ex-

ports decreased only in 2009 and 2014.

If we look at the data of exports in 2013 and 2014 it is evident that about 21% of exports went to the European Union and about 54% to the Commonwealth of Independent States whilst exports to China amounted to just 2%. According to the data of 2011 and 2012, a total of 17% was exported to the European Union, 54% to the Commonwealth of Independent States and 1.2% to China. Azerbaijan, Turkey, Armenia, Russia, Ukraine and the USA are among the top destinations of Georgian exports to date.

The value of production exported from Georgia to the European Union increased by 72% in 2013 as compared to the previous year and amounted to USD 607.9 million. There was only a 2% increase in 2014. As for the data of the first quarter of 2015, they show a 21% (USD 170 million) increase as compared to the same period of the previous year. Of this, the biggest growth of exports was observed to Germany (59%), the UK (91%), Italy (55%), the Netherlands (260%) and Bulgaria (19%).

The majority of the production exported from Georgia still goes to the Commonwealth of Independent States.

There was a 9% decrease in exports from Georgia to the CIS in 2014. According to the data of the first three months of 2015, we have a 55% decline. Exports to the Commonwealth of Independent States decreased by USD 216.4 million.

As for the Chinese market, products worth USD 10 million were exported to China in the first quarter of 2014 which gave a 166% growth of exports to China, amounting to USD 90.4 million. There was a 145% growth in the same period of 2015.

It should be pointed out that according to the information published on 22 May 2015, exports from Georgia decreased by 26% (USD 243 million) from January to April 2015 as compared to the same period of the previous year. Export to the European Union decreased by 32% in April 2015 as compared to the same period of the previous year and amounted to USD 36.3 million. According to the data of the first four months of 2015, the growth of exports to the European Union amounted to 6.2%.

Exports to the Commonwealth of Independent States decreased by USD 44 million, to Azerbaijan by USD 17 million, to Russia by USD 7 million and to Ukraine by USD 6 million.

Table 1: Amount of Exports (USD million) and Change in % from 2004 to 2014

Year	Overall Exports		CIS Members		EU Member States		China	
2004	646.9	40%	327.6	45%	128.2	54%	3.3	182%
2005	865.5	34%	407.2	24%	216.8	69%	5.6	69%
2006	936.4	8%	391.1	-4%	225.4	4%	10.4	84%
2007	1,232.1	32%	461.9	18%	268.5	19%	8.3	-2%
2008	1,495.3	21%	540.9	17%	335.2	25%	8.9	9%
2009	1,133.6	-24%	416.2	-23%	237.7	-29%	6.0	-34%
2010	1,677.5	47%	676.7	62%	309.6	30%	26.8	349%
2011	2,189.1	30%	1,052.7	55%	424.3	37%	28.9	8%
2012	2,375.4	9%	1,244.1	18%	353.0	-16%	25.6	-11%
2013	2,908.5	25%	1,620.9	30%	607.9	72%	33.9	32%
2014	2,861.2	-1.6%	1,465.5	-9%	620.8	2%	90.4	166%

CONCLUSION

FACTCHECK CONCLUDES THAT IRAKLI GHARIBASHVILI'S STATEMENT IS HALF TRUE.

HALF TRUE



The views expressed in this website are those of FactCheck.ge and do not reflect the views of The FINANCIAL or the supporting organisations