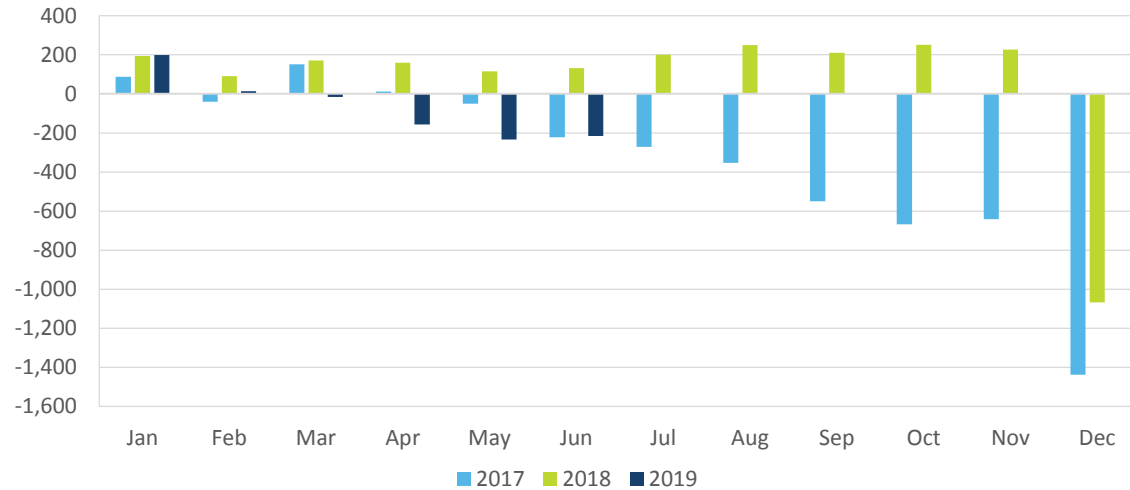


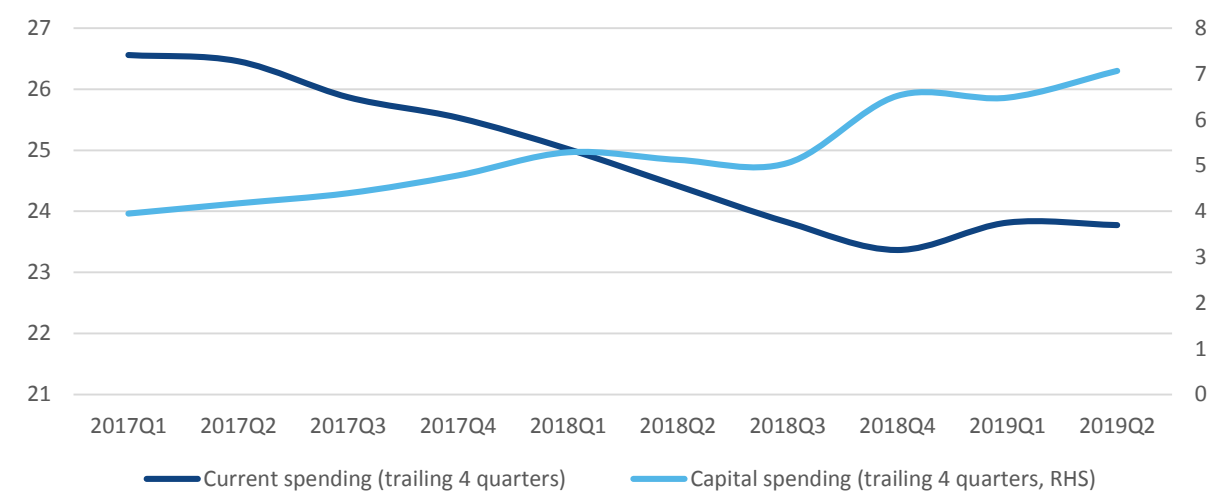
- ❑ Growth of tax revenues accelerated to 13.2% YoY mostly on the back of higher VAT (+17.6% YoY), profit tax (+68.8% YoY) and property tax revenues (+15.7% YoY). At the same time, following the sharp fall in excise tax revenues in the previous months, the decline rate has moderated to -2.3% YoY.
- ❑ As spending growth was more contained (+7.4%), budget remained in moderate surplus in June 2019 of around 18 mln GEL. At the same time, capital spending increased by a sharp 34.6% YoY, while current spending remained flat on an annual basis.
- ❑ In the first half of 2019 budget deficit amounted to around 216 mln GEL or an estimated 1% of the H1 2019 GDP – well above the same figure of the previous year (131 mln surplus, or 0.7% of GDP), pointing to a sizable expansionary fiscal stance especially when combined with the end 2018 advanced payments.

Consolidated budget balance
(mln GEL, cumulative)



Source: MOF, TBC Bank Economic Team estimates

Current and capital spending
(% of GDP)



Source: MOF, TBC Bank Economic Team estimates

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