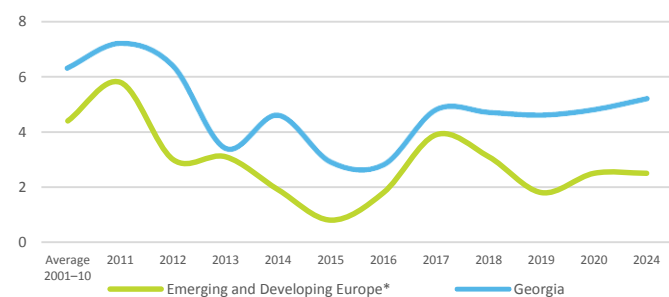


Real GDP growth projections by countries/regions (% YoY)

Selected Countries & Regions	WEO April 2019		WEO October 2019		Change in projections (PP)		Long-term growth projection (Oct. 2019)
	2019	2020	2019	2020	2019	2020	
United States	2.3	1.9	2.4	2.1	0.1	0.2	1.6
European Union	1.3	1.5	1.2	1.4	-0.1	-0.1	1.3
China	6.3	6.1	6.1	5.8	-0.2	-0.3	5.5
Emerging and developing Europe including Turkey	0.8	2.8	1.8	2.5	1.0	-0.3	2.5
Armenia	4.6	4.5	6.0	4.8	1.4	0.3	4.5
Azerbaijan	3.4	3.1	2.7	2.1	-0.7	-1.0	2.4
Georgia	4.6	5.0	4.6	4.8	0.0	-0.2	5.2
Islamic Republic of Iran	-6.0	0.2	-9.5	0.0	-3.5	-0.2	1.1
Israel	3.3	3.3	3.1	3.1	-0.2	-0.2	3.0
Kazakhstan	3.2	3.2	3.8	3.9	0.6	0.7	3.5
Russia	1.6	1.7	1.1	1.9	-0.5	0.2	1.8
Saudi Arabia	1.8	2.1	0.2	2.2	-1.6	0.1	2.5
Turkey	-2.5	2.5	0.2	3.0	2.7	0.5	3.5
Ukraine	2.7	3.0	3.0	3.0	0.3	0.0	3.3
Uzbekistan	5.0	5.5	5.5	6.0	0.5	0.5	6.0

Source: IMF WEO, October 2019 update

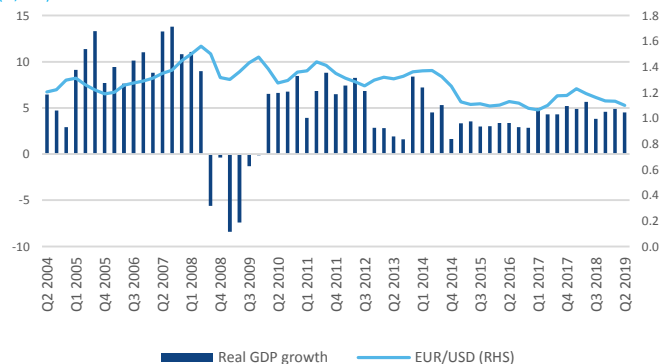
GDP growth in Georgia and Emerging and Developing Europe (% YoY)



* Beginning from the October 2019 WEO, the regional group Commonwealth of Independent States (CIS) is discontinued. Three of the CIS economies (Belarus, Moldova, Russia) and Ukraine are added to the regional group of Emerging and Developing Europe. Turkey is also included in this group of countries

Source: IMF WEO, October 2019 update

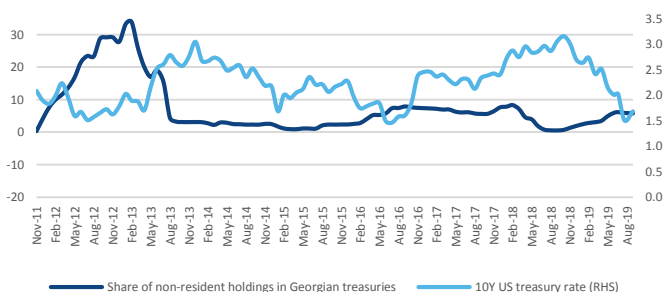
Real GDP growth in Georgia and the EUR/USD*** (% YoY)



Sources: GeoStat, the NBG

*** See TBC Economic Review, Insight #3

10 Y US treasury rates and share of non-residents in Georgia's GEL treasury security holdings (% as of September 2019)



Sources: The NBG, St. Louis Fed

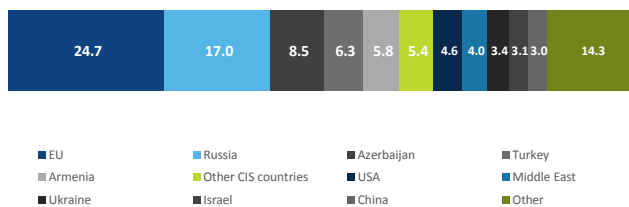
Global growth projections have been revised downwards in IMF's October World Economic Outlook by 0.3 and 0.2 pp to 3.0% and 3.4% for 2019 and 2020, respectively.

The downward revision mostly reflects slower economic activity in both advanced as well as emerging markets as higher trade barriers, increasing geopolitical uncertainties and country specific factors for some distressed economies are denting business confidence and investment activity. Stronger projected growth in 2020 is assumed to be mostly driven by the recoveries/more modest recessions in economies which faced the stress in 2019, such as Brazil, Argentina, Iran, and Turkey. Despite the higher projected growth for 2020, the risks to the outlook remain skewed to the downside. Further disruption of trade and global value chains could hamper the growth. In addition, muted inflation pressures and prolonged period of easy monetary policies can potentially feed into the higher vulnerabilities in the financial sector. Geopolitical risks also remain heightened posing risks to the outlook.

Though overall growth projections have worsened, the outlook has improved for number of Georgia's economic partners. Also, further assumed reduction in benchmark borrowing rates in USD and EUR is traditionally positive for the emerging markets dependent on the FX funding, including Georgia.

As for the growth projections for Georgia, the IMF expects 4.6% and 4.8% for 2019-2020, while the long-term growth is kept unchanged at 5.2%.

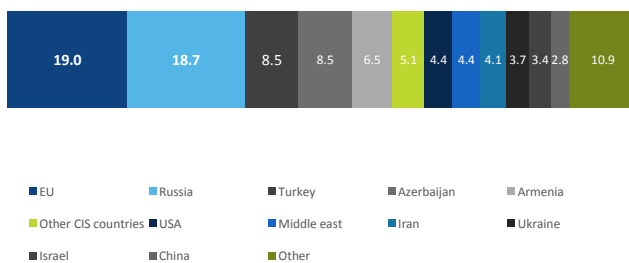
Share in exports, tourism, remittance and FDI inflows** in 2018 (%)



** BP-related FDI is included in the EU

Sources: GeoStat, The NBG, GNTA, TBC Research estimates

Share in exports, tourism and remittance inflows in 2018 (%)



Sources: GeoStat, The NBG, GNTA, TBC Research estimates

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