


GOVERNMENT OF GEORGIA ANNOUNCES RECEIVING A US\$186.6 MILLION DISBURSTMENT FROM IMF

 GEL/US\$: 1.6701 GEL/EUR: 2.2169
 Galt & Taggart Index: 125

Government of Georgia (GoG) announces that on 23 March 2009, the executive board of the International Monetary Fund (IMF) completed the second review of Georgia's performance under the 18-month Stand-By Arrangement. The completion of the review allowed for the disbursement of US\$186.6 million entirely intended for the National Bank of Georgia's (NBG) foreign currency reserves stability.

According to the IMF, "Economic and financial conditions in Georgia have become more challenging since the last program review, as Georgia feels the effects of the global crisis. However, the authorities have been mitigating the impact of the economic slowdown through a donor-financed fiscal stimulus and a reorientation of expenditures.

Foreign exchange auctions have been introduced, an important step toward exchange rate flexibility and the preservation of external stability. This will also help the authorities to protect, and ultimately to rebuild, international reserves.

Georgia's economic policies are being crafted not only in response to the immediate crisis, but also with a view to supporting sustained economic growth over the medium term. The authorities are encouraged to build on their strong track record of reforms and their commitment to fiscal prudence and low inflation."

The IMF's Stand-By Arrangement of about US\$750 million was approved in September 2008 to support the Georgian authorities' macroeconomic policies, rebuild gross international reserves, and bolster investor confidence.

NBG's foreign currency reserves grew by 9% to US\$1,467.8 million in 2008 and by 1.4% to US\$1,488 million year-to-date.

"Regardless of the global recession, economy of Georgia managed to meet all the performance benchmarks and as a result received IMF's another disbursement. All this implies that country runs relatively strong macroeconomic fundamentals illustrated in its monetary and fiscal performance, targeted to economic stability and recovery." commented **Nika Gilauri**, Prime Minister of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008A
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,069.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.1%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,920.3
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%	5.5%
Net FDI (US\$ mln)	483	542	1,076	2,014.8	1,219.5
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%	-22.3%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59	1.66
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33	2.34
Galt & Taggart Index (e-o-p)	194	320	790	1,041	197

Source: Department of Statistics, Ministry of Economic Development, Ministry of Finance, National Bank of Georgia

Georgia has, as of the date hereof, the following sovereign credit ratings:

Standard & Poor's	Sovereign Credit Rating	'B/ Stable/B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/- Negative /B/B+'

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