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# Georgia - Kazakhstan

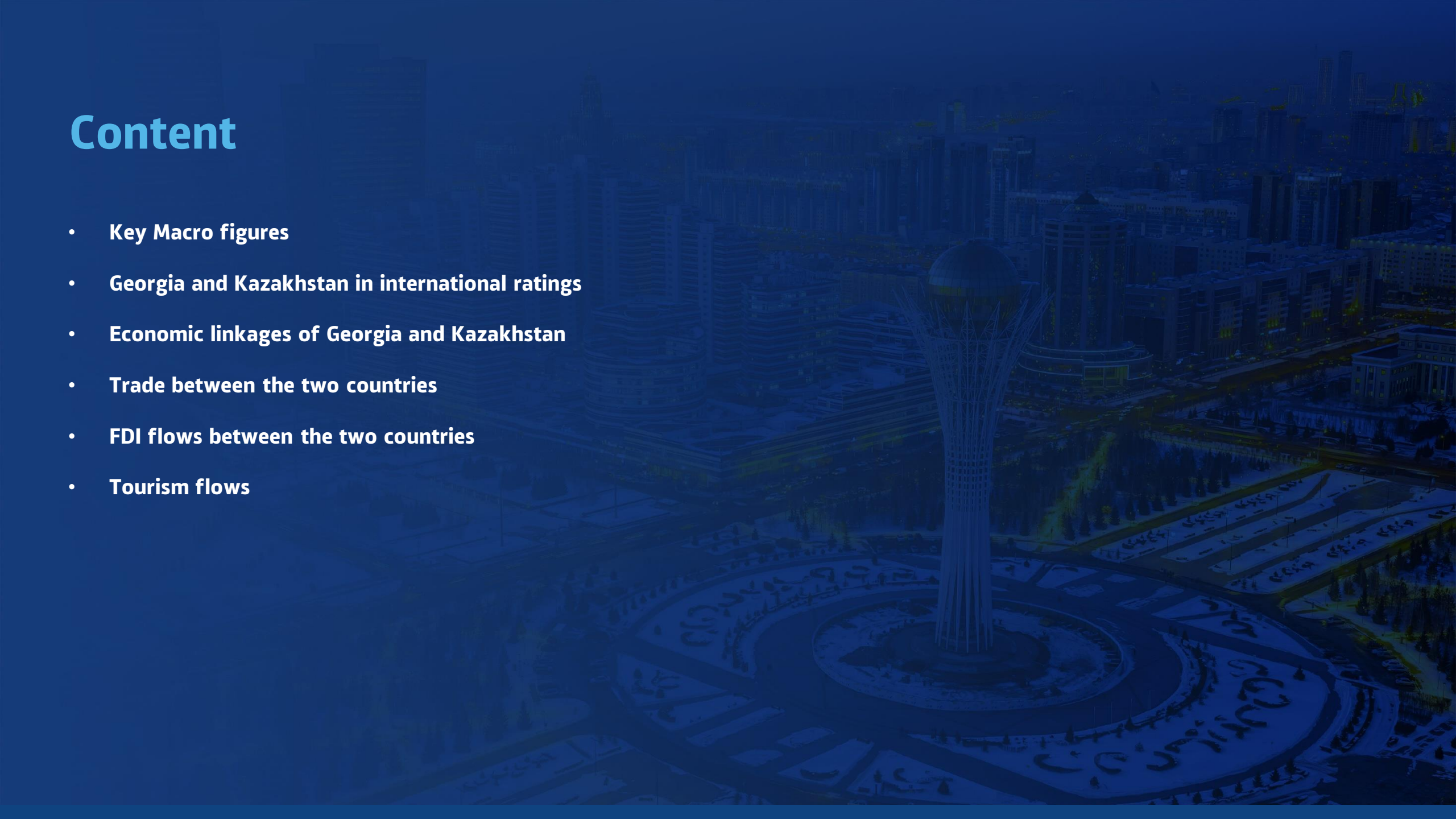
ENCHANCING ECONOMIC PARTNERSHIP

2006-2020

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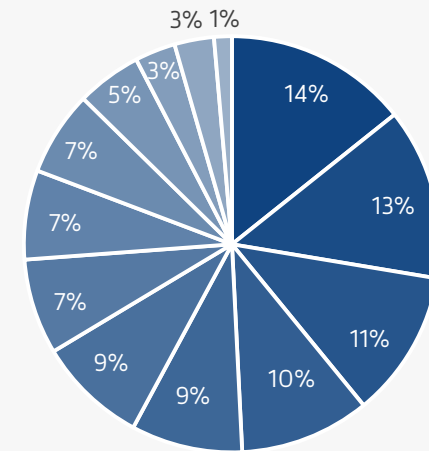
# Content

- **Key Macro figures**
- **Georgia and Kazakhstan in international ratings**
- **Economic linkages of Georgia and Kazakhstan**
- **Trade between the two countries**
- **FDI flows between the two countries**
- **Tourism flows**



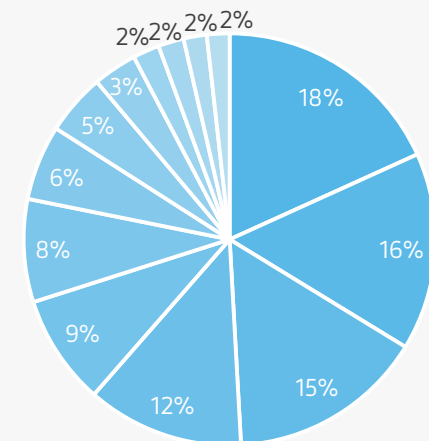
Key Parameters	Georgia	Kazakhstan
Population (mln persons, 2019)	3.7	18.6
Population growth (CAGR 2010-2020, %)	-0.3	1.4
GDP (bn USD)	17.7	181.7
GDP per capita at PPP, 2019	14,999	26,184
AVG GDP growth (2015-19)	4.2	3.0
Projected GDP growth in 2020	-6.1	-2.7
Projected Long term GDP growth (2021-25 average)	5.5	3.9
Government revenue to GDP (2019)	26.7	19.7
Government debt to GDP (2019)	42.6	19.9
CA balance to GDP (2019)	-5.1	-3.6
Credit ratings:		
Fitch	BB/negative	BBB/stable
Moody's	Ba2/stable	Baa3/positive
S&P	BB/negative	BBB-/stable
Doing Business Rank Globally (2020)	7	25
Global Competitiveness Index Rank (2019)	74	55

## GDP Structure: Georgia



- Trade, 14%
- Other services, 13%
- Real estate, 11%
- Manufacturing, 10%
- HoReca and entertainment, 9%
- Construction, 9%
- Agriculture, 7%
- Public services, 7%
- Transport and logistics, 7%
- Financial services, 5%
- Utilities, 3%
- Information and communication, 3%
- Mining, 1%

## GDP Structure: Kazakhstan



- Trade, 18%
- Mining, 16%
- Other services, 15%
- Manufacturing, 12%
- Transport and logistics, 9%
- Real estate, 8%
- Construction, 6%
- Agriculture, 5%
- Financial services, 3%
- Information and communication, 2%
- HoReca and entertainment, 2%
- Public services, 2%
- Utilities, 2%

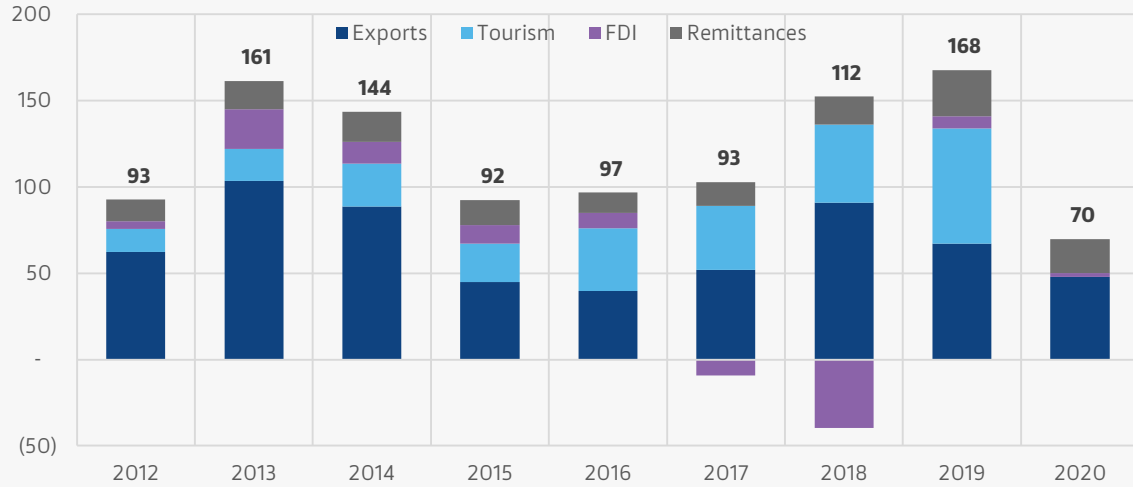
# Georgia and Kazakhstan positions in international rankings

Doing Business 2020	Georgia	Kazakhstan
<b>Global Rank</b>	<b>7</b>	<b>25</b>
Starting a Business	<b>2</b>	<b>22</b>
Dealing with Construction Permits	<b>21</b>	<b>37</b>
Getting Electricity	<b>42</b>	<b>67</b>
Registering Property	<b>5</b>	<b>24</b>
Getting Credit	<b>15</b>	<b>25</b>
Protecting Minority Investors	<b>7</b>	<b>7</b>
Paying Taxes	<b>14</b>	<b>64</b>
Trading across Borders	<b>45</b>	<b>105</b>
Enforcing Contracts	<b>12</b>	<b>4</b>
Resolving Insolvency	<b>64</b>	<b>42</b>

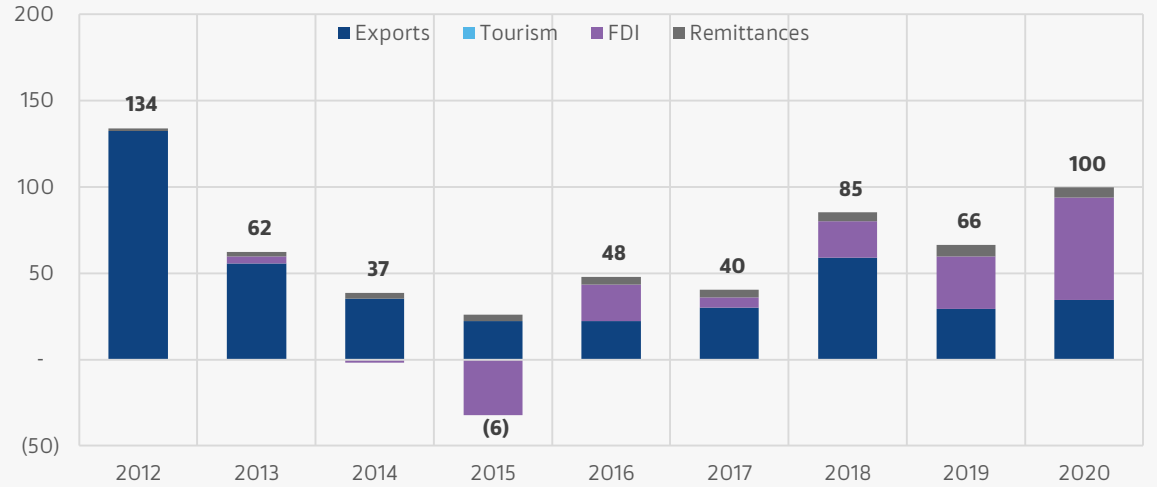
Global Competitiveness index 2019	Georgia	Kazakhstan
<b>Overall rank</b>	<b>74</b>	<b>55</b>
Institutions	<b>43</b>	<b>64</b>
Infrastructure	<b>73</b>	<b>67</b>
ICT Adoption	<b>55</b>	<b>44</b>
Macro economic stability	<b>84</b>	<b>60</b>
Health	<b>87</b>	<b>95</b>
Skills	<b>46</b>	<b>57</b>
Product market	<b>48</b>	<b>62</b>
Labor market	<b>37</b>	<b>25</b>
Financial system	<b>91</b>	<b>104</b>
Market size	<b>104</b>	<b>45</b>
Business dynamism	<b>58</b>	<b>35</b>
Innovation capability	<b>91</b>	<b>95</b>

# Economic linkages between Georgia and Kazakhstan

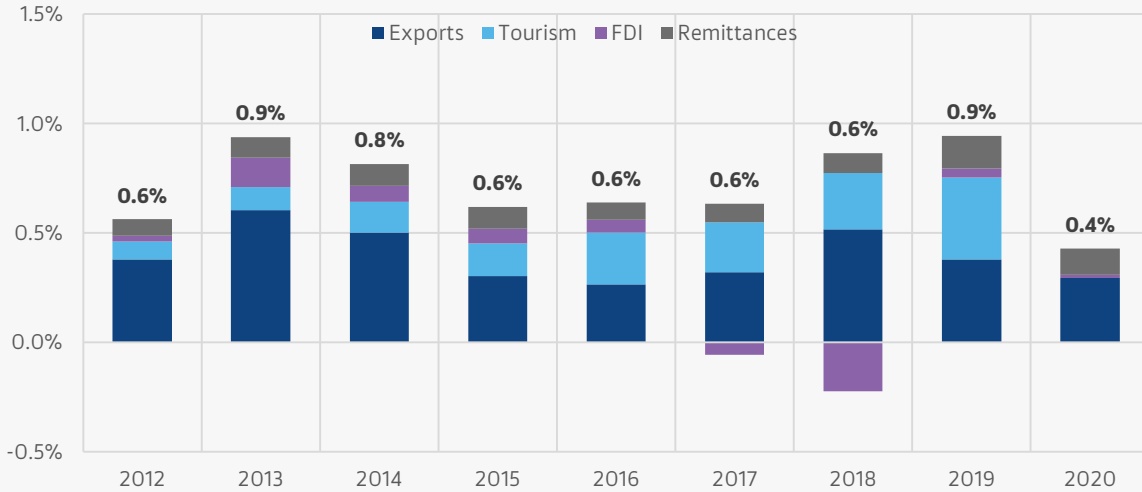
## FX flows from Kazakhstan to Georgia (USD mln)



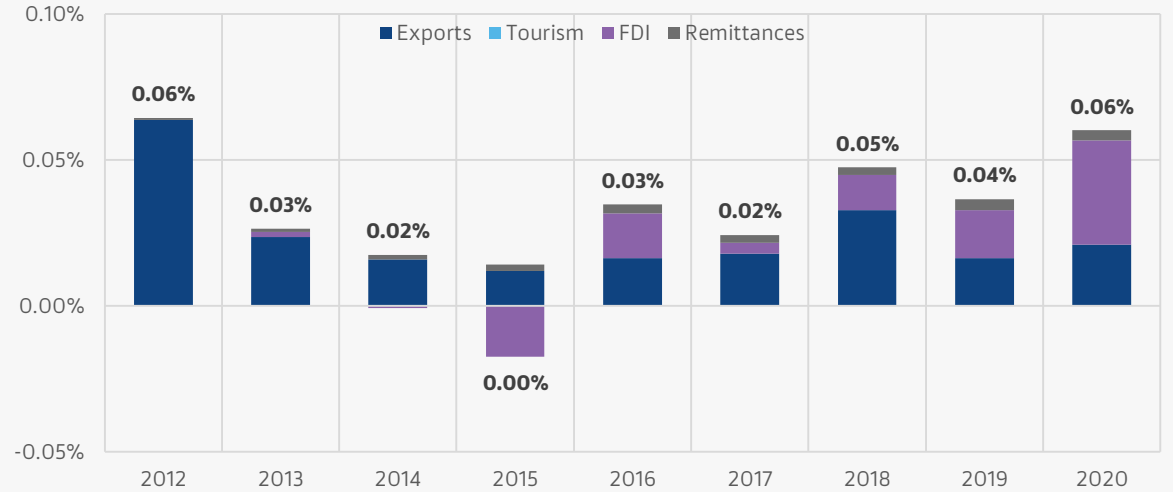
## FX flows from Georgia to Kazakhstan (USD mln)



## Inflows from Kazakhstan to Georgia (% of Georgia's GDP)



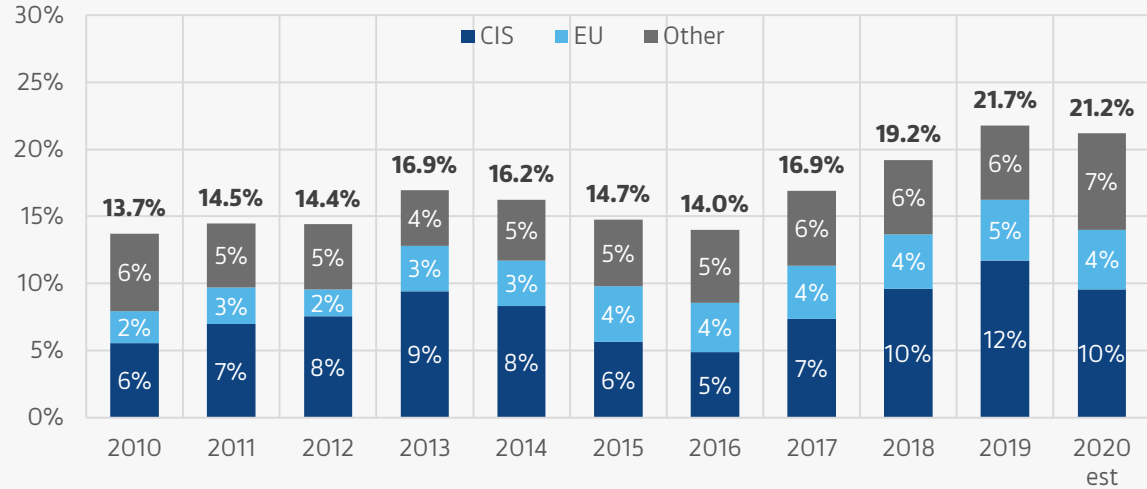
## Inflows from Georgia to Kazakhstan (% of Kazakhstan's GDP)



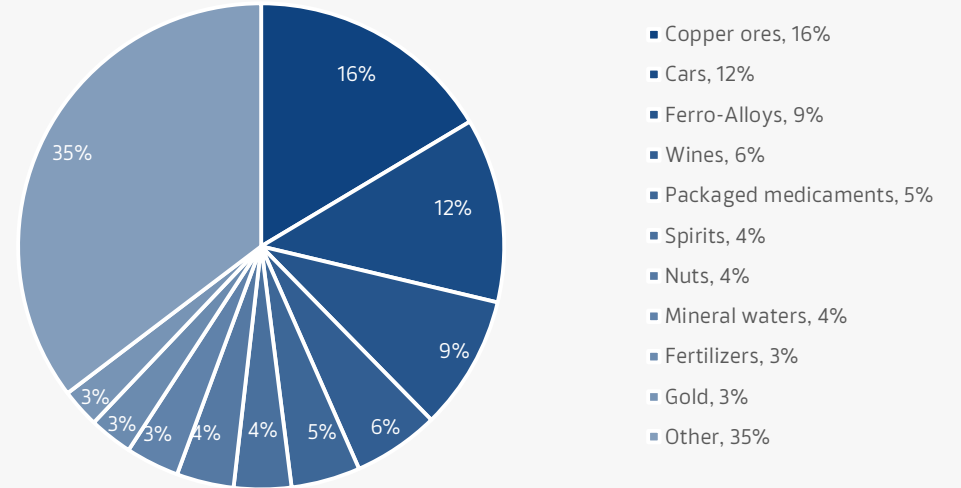
# Trade in Goods

- **Around 10% of Georgia's total export of goods was directed towards Central Asia and 1.4% towards Kazakhstan in 2020**
- **In the 2015-2019 period 14% of Georgia's re-exports were bound for Central Asia, with 3% going to Kazakhstan**
- **While other Central Asian countries acquire furniture through Georgia, the product is missing in Georgia's top re-exported items to Kazakhstan**
- **Georgia's exports of food & beverages and textile & apparel to Kazakhstan are characterized with an increasing tendency, while all other major product categories have been decreasing in the past few years**
- **The dynamics of top exported items from Kazakhstan to Georgia is less uniform, with certain product categories posting up to 16x increases in 2020**

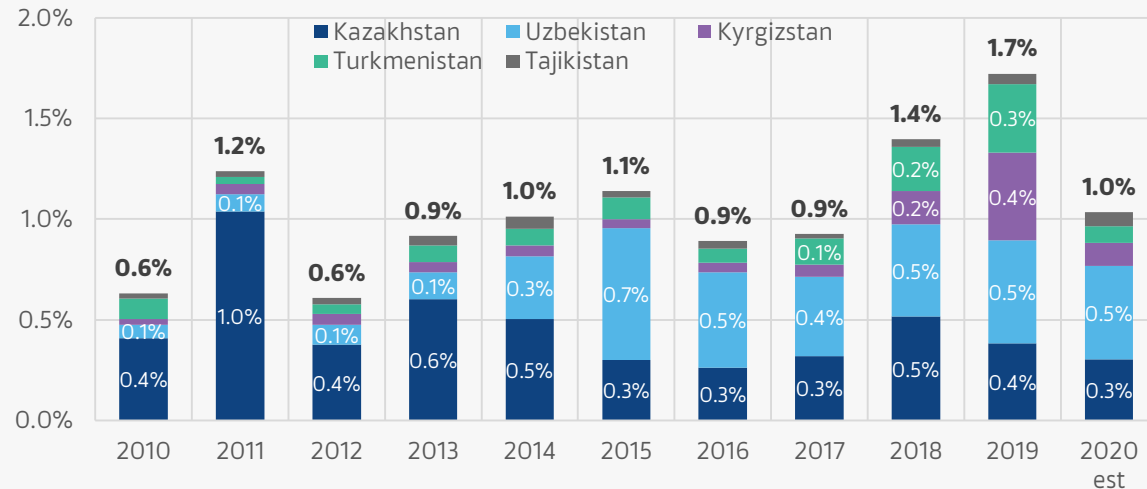
## Georgia's exports of goods (% of GDP)



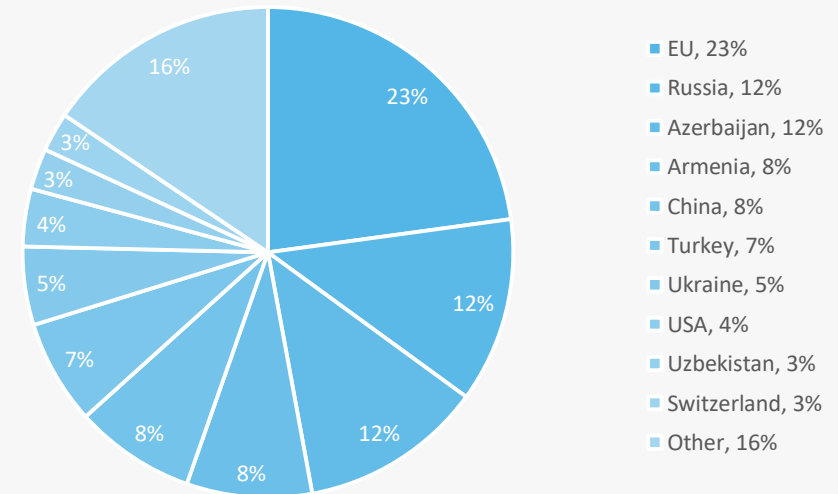
## Structure of Georgia's exports by goods (2015-2020)



## Georgia's Exports to Central Asia Countries (% of GDP)



## Structure of Georgia's exports by countries (2015-2020)



## Georgia's re-exports to Central Asia (2015-2019; USD)

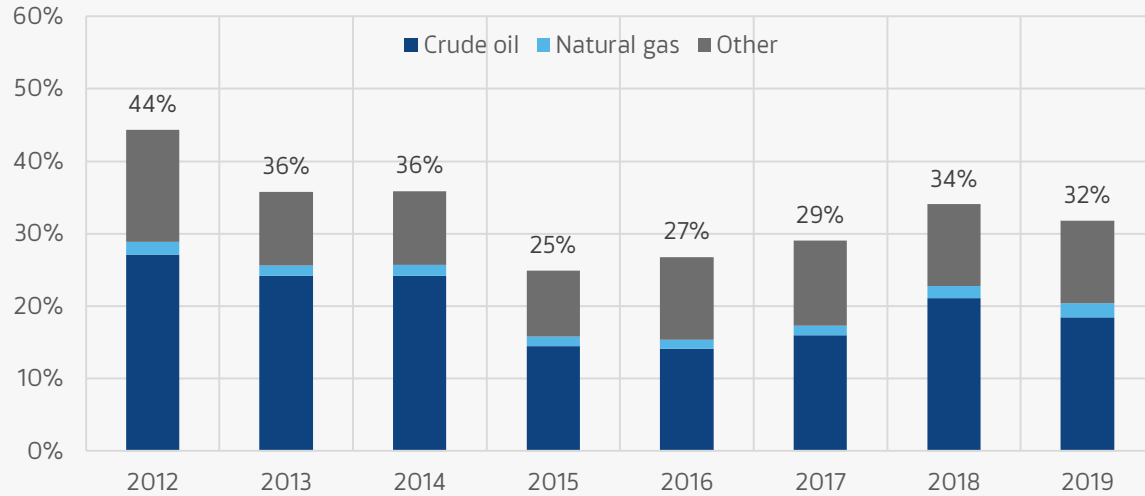
Product	Trade volume	Share in total
Pharmaceutical products	360,227,514	53%
Vehicles	103,905,444	15%
Tobacco	73,432,364	11%
Nuclear reactors	26,161,386	4%
Meat	22,664,231	3%
Iron or steel	18,330,353	3%
Furniture	17,801,682	3%
Electrical machinery	12,426,255	2%
Beverages, spirits and vinegar	12,387,661	2%
Miscellaneous food products	9,102,418	1%
Other	29,437,825	4%

## Georgia's re-exports to Kazakhstan (2015-2019; USD)

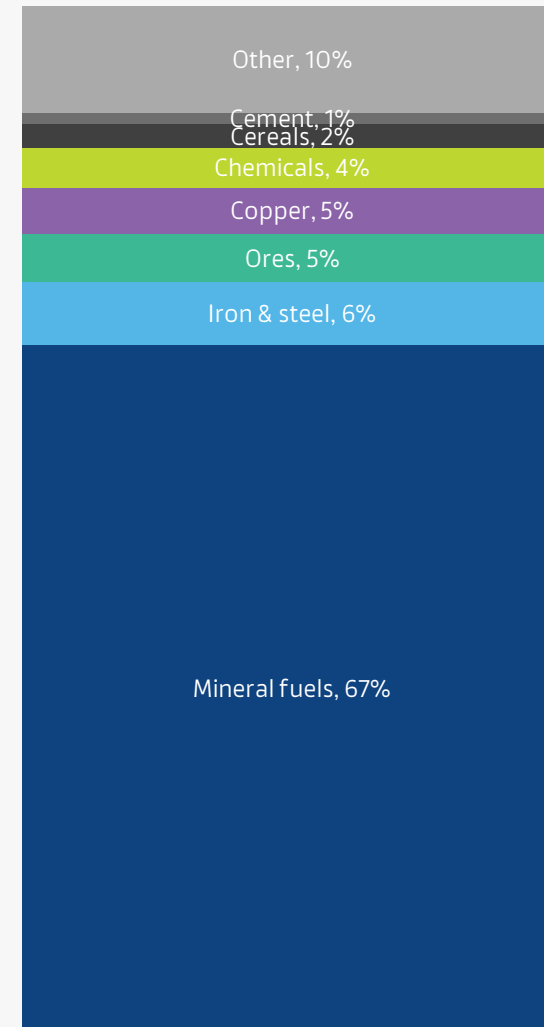
Product	Trade volume	Share in total
Tobacco	55,713,880	45%
Pharmaceutical products	19,899,601	16%
Vehicles	17,487,739	14%
Meat	16,422,695	13%
Iron or steel	3,841,031	3%
Nuclear reactors	2,117,623	2%
Preparations of vegetables, fruit or nuts	1,515,793	1%
Beverages, spirits and vinegar	1,452,759	1%
Electrical machinery	1,442,671	1%
Dairy produce, eggs, honey	1,258,360	1%
Other	3,600,792	3%



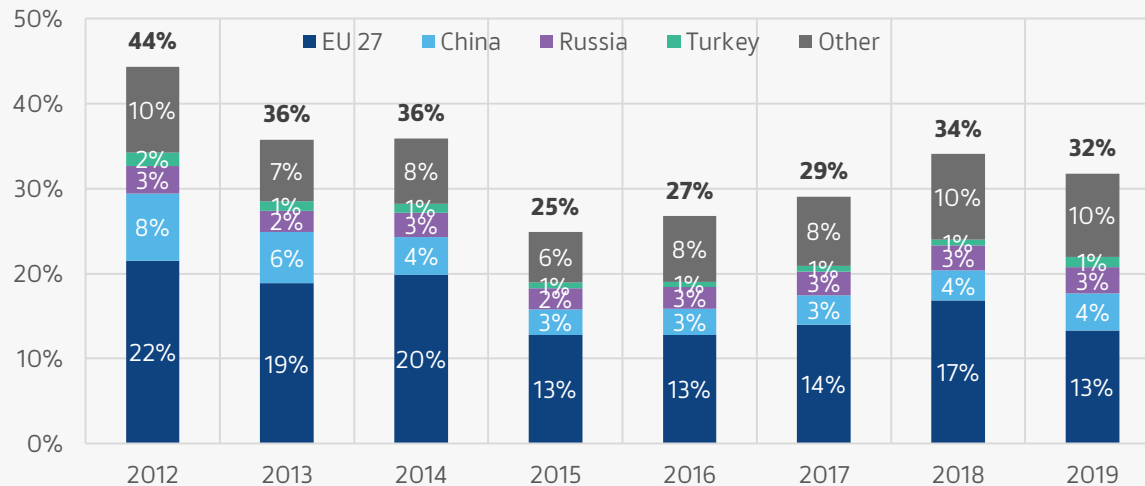
## Kazakhstan's export of goods (% of GDP)



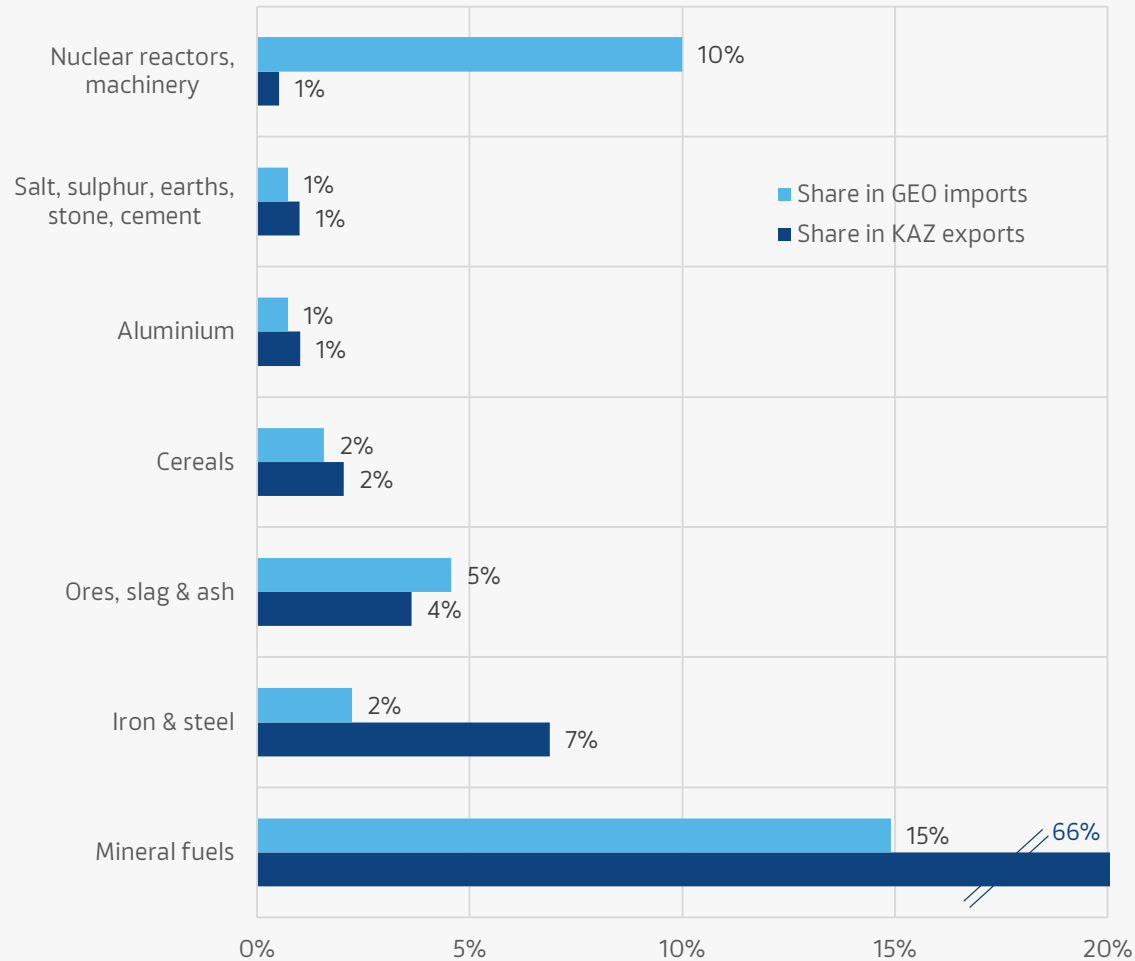
## Kazakhstan's export structure – 2019



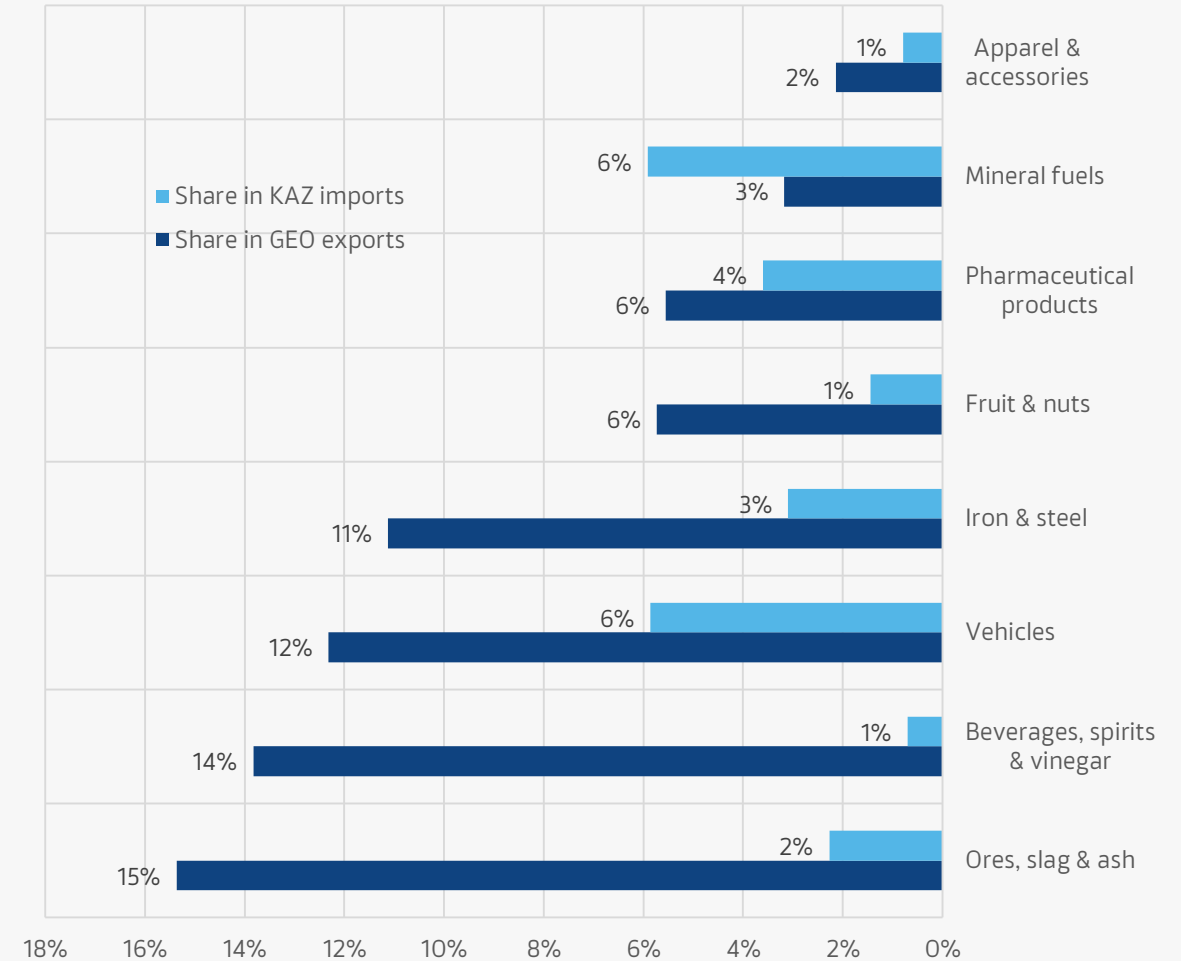
## KZT export of goods by countries (% of GDP)



Share in GEO imports and KAZ exports (AVG 2015-19)



Share in KAZ imports and GEO exports (AVG 2015-19)



# Top traded detailed products between Kazakhstan and Georgia

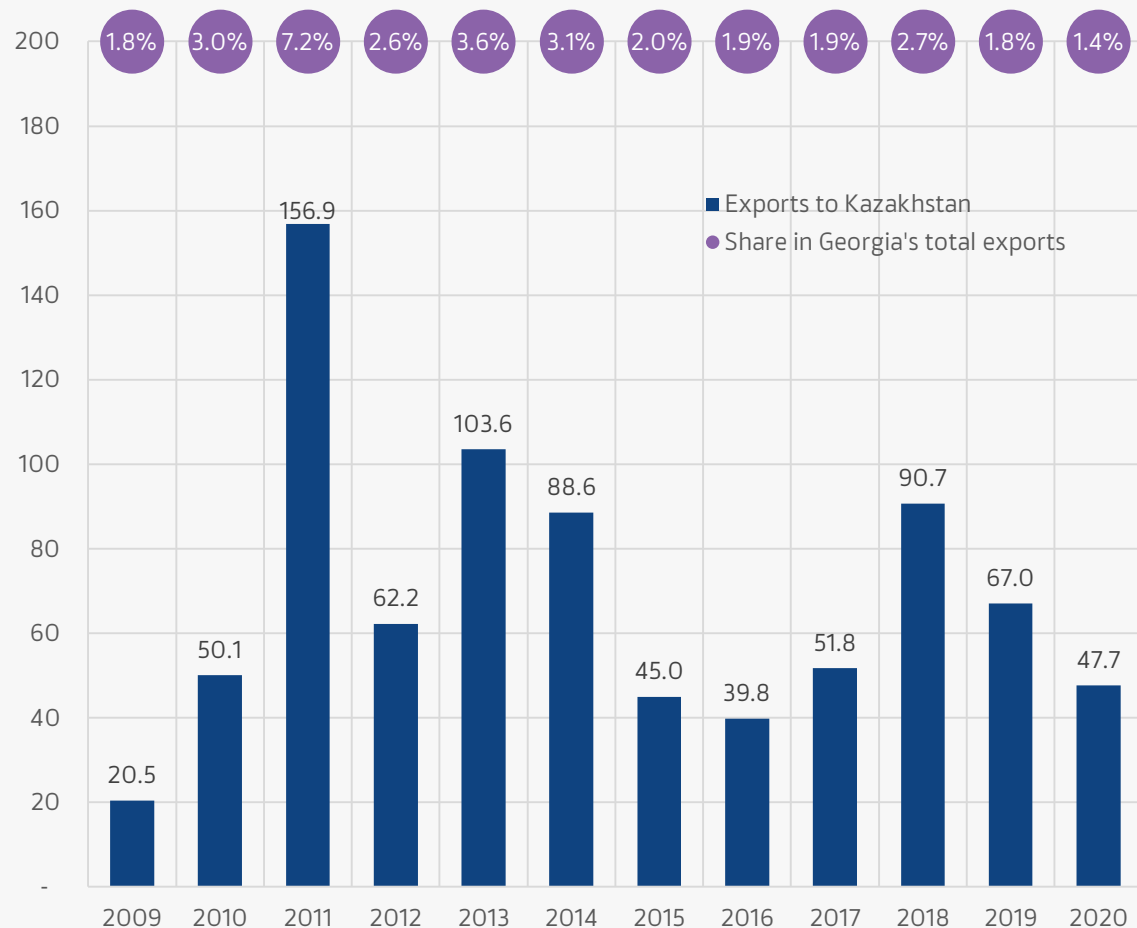
## Georgia's exports to Kazakhstan (2015-2019; USD)

Product	Trade volume	Share in total
Cigarettes	47,727,547	16%
Bottled wine	47,488,341	16%
Mineral waters	46,671,235	16%
Packaged medicaments	17,722,095	6%
Poultry products	14,691,852	5%
Railway wagons	11,153,750	4%
Tobacco	9,016,277	3%
Grape wine spirits	8,776,011	3%
Light vehicles	8,465,984	3%
Fish products	7,632,738	3%
Other	74,998,455	25%

## Kazakhstan's exports to Georgia (2015-2019; USD)

Product	Trade volume	Share in total
Petroleum	59,434,282	37%
Wheat	31,744,205	20%
Iron	12,438,412	8%
Onions	5,040,316	3%
Pasta	4,403,621	3%
Fertilizers (nitrogenous, ammonium nitrate)	4,141,942	3%
Coal byproducts	4,117,804	3%
Polyurethanes	2,628,956	2%
Crude oil	2,604,063	2%
Fertilizers (nitrates, phosphates)	2,531,878	2%
Other	33,522,301	21%

## Georgia's exports to Kazakhstan (mln USD)



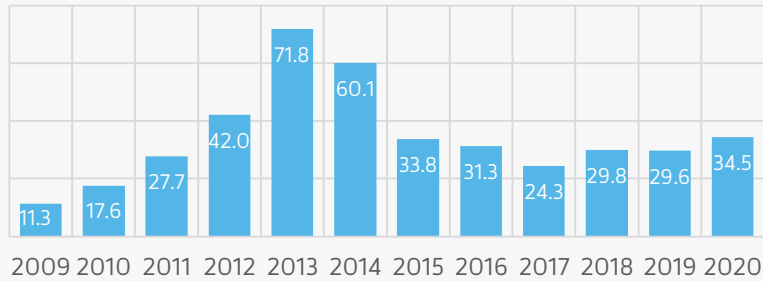
## Georgia's exports to Kazakhstan by products (USD '000)

	2019	2020	Share in 2020	YoY, 1000 USD	YoY, %
Food and beverages	29,620	34,462	<b>72.3%</b>	4,842	16.3%
Passenger and other cars	13,178	3,989	<b>8.4%</b>	(9,189)	-69.7%
Railway or tramway locomotives	9,223	2,461	<b>5.2%</b>	(6,762)	-73.3%
Medicaments	4,205	2,260	<b>4.7%</b>	(1,945)	-46.3%
Machinery and electronics	2,773	1,614	<b>3.4%</b>	(1,159)	-41.8%
Textiles & apparel	697	958	<b>2.0%</b>	262	37.6%
Ferro-alloys	3,602	853	<b>1.8%</b>	(2,749)	-76.3%
Cigarettes	2,573	308	<b>0.6%</b>	(2,265)	-88.0%
Electrical & optical devices	241	158	<b>0.3%</b>	(82)	-34.3%
Furniture	265	6	<b>0.0%</b>	(260)	-97.9%
Other	617	590	<b>1.2%</b>	(27)	-4.4%
<b>Total Exports</b>	<b>66,994</b>	<b>47,659</b>		<b>(19,335)</b>	<b>-28.9%</b>

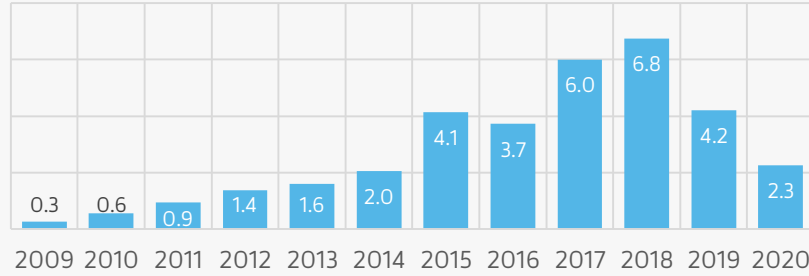
# Georgia's exports to Kazakhstan: dynamics of key products (USD mln)

13

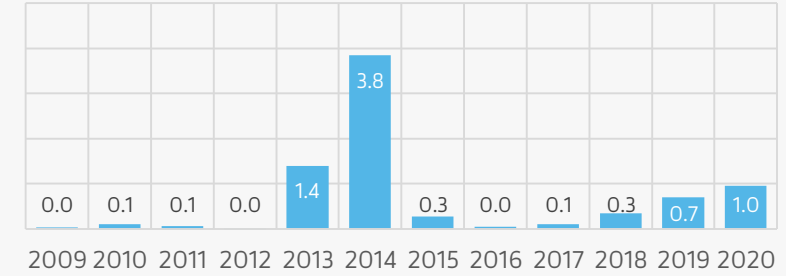
## Food and beverages



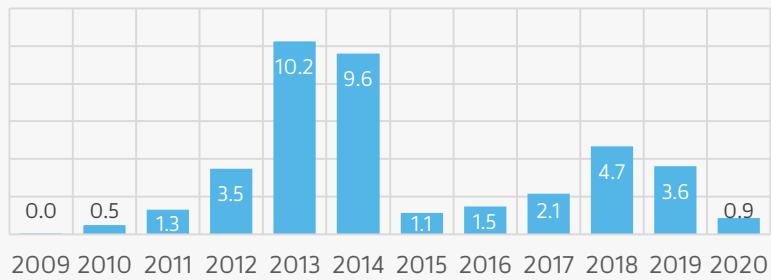
## Medicaments



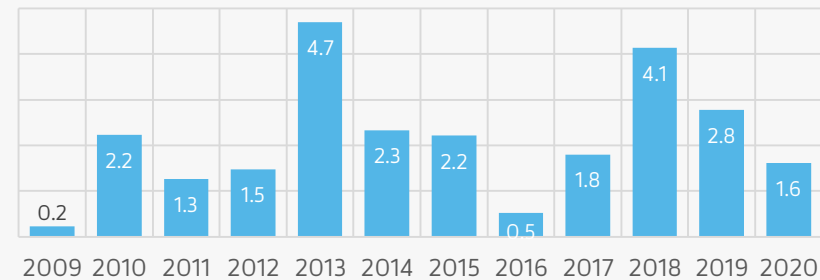
## Textile, apparel and other clothing



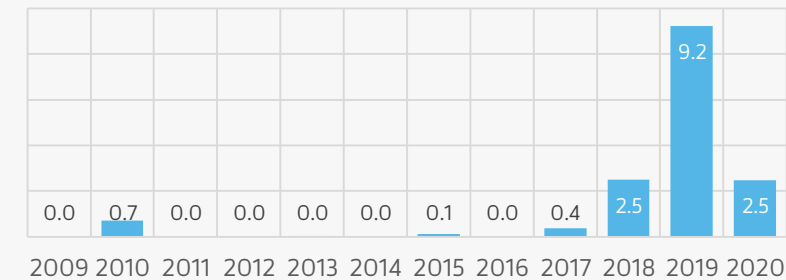
## Ferro-Alloys and other metal produce



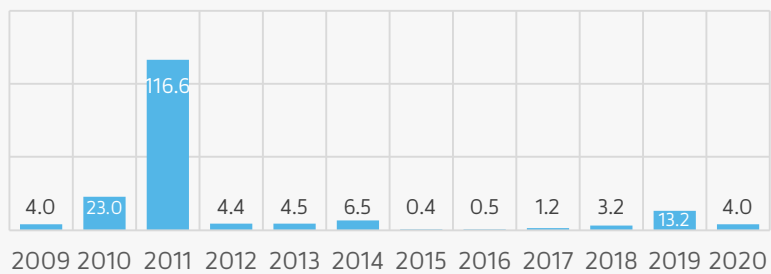
## Machinery and electronics



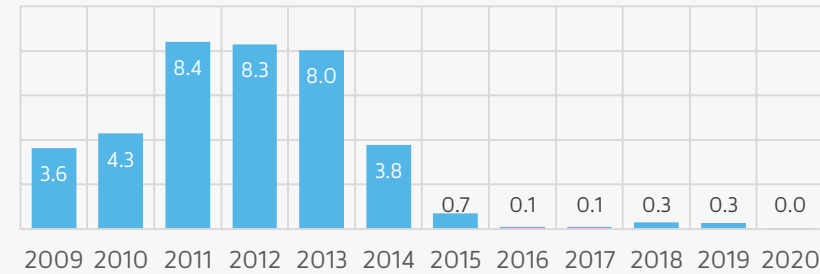
## Railway or tram locomotives, containers



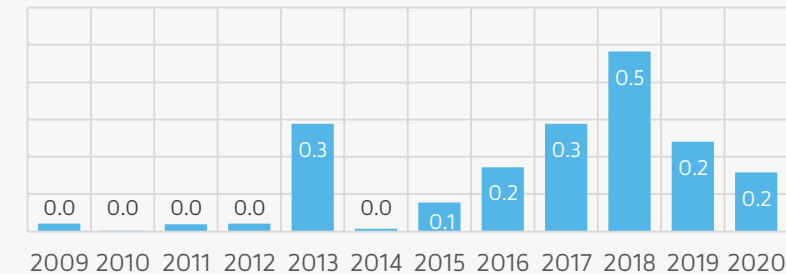
## Passenger cars, heavy trucks, tractors



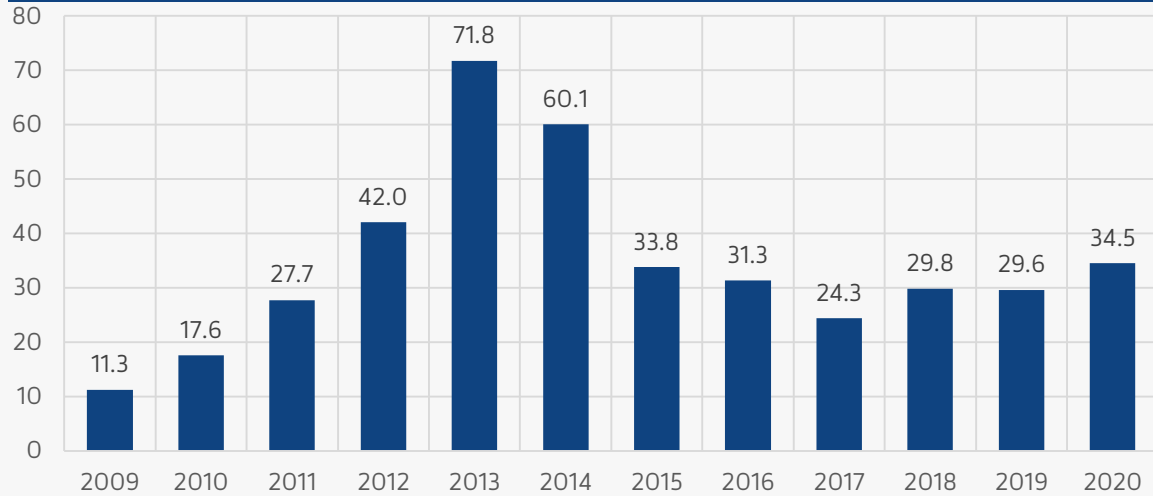
## Furniture



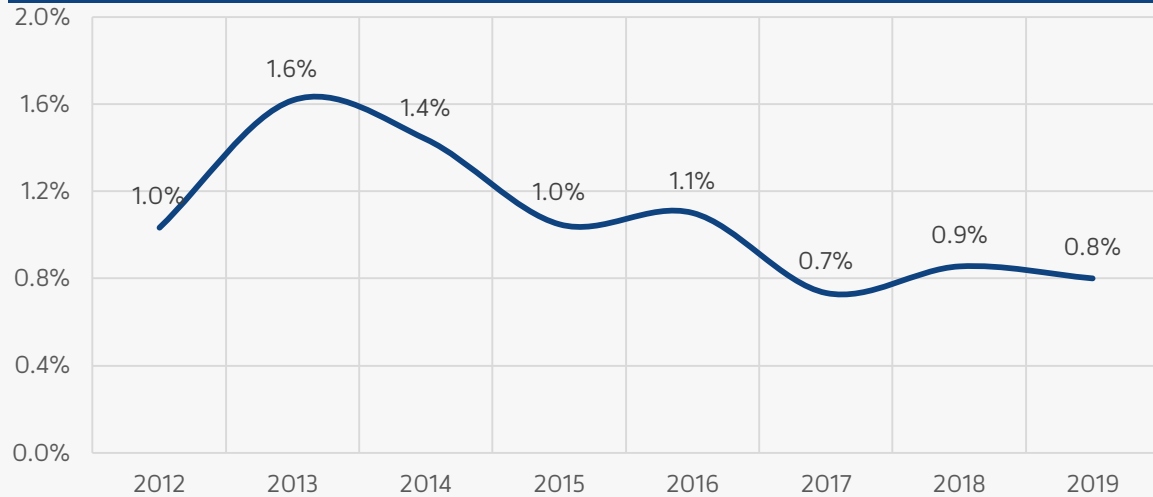
## Electrical and optical devices



### GEO exports of food & beverages to KAZ (USD mln)



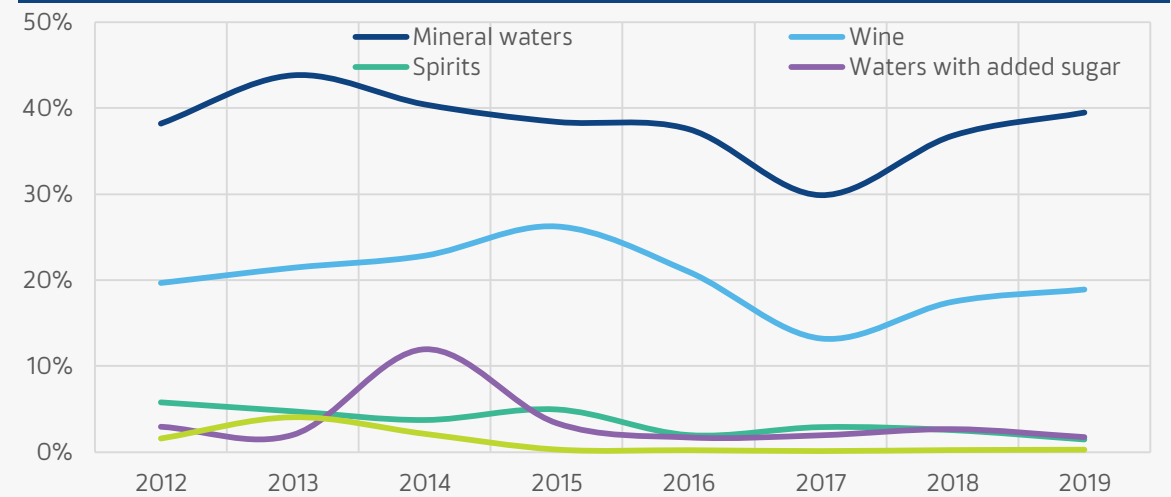
### Share of GEO exports in KAZ food & beverages imports



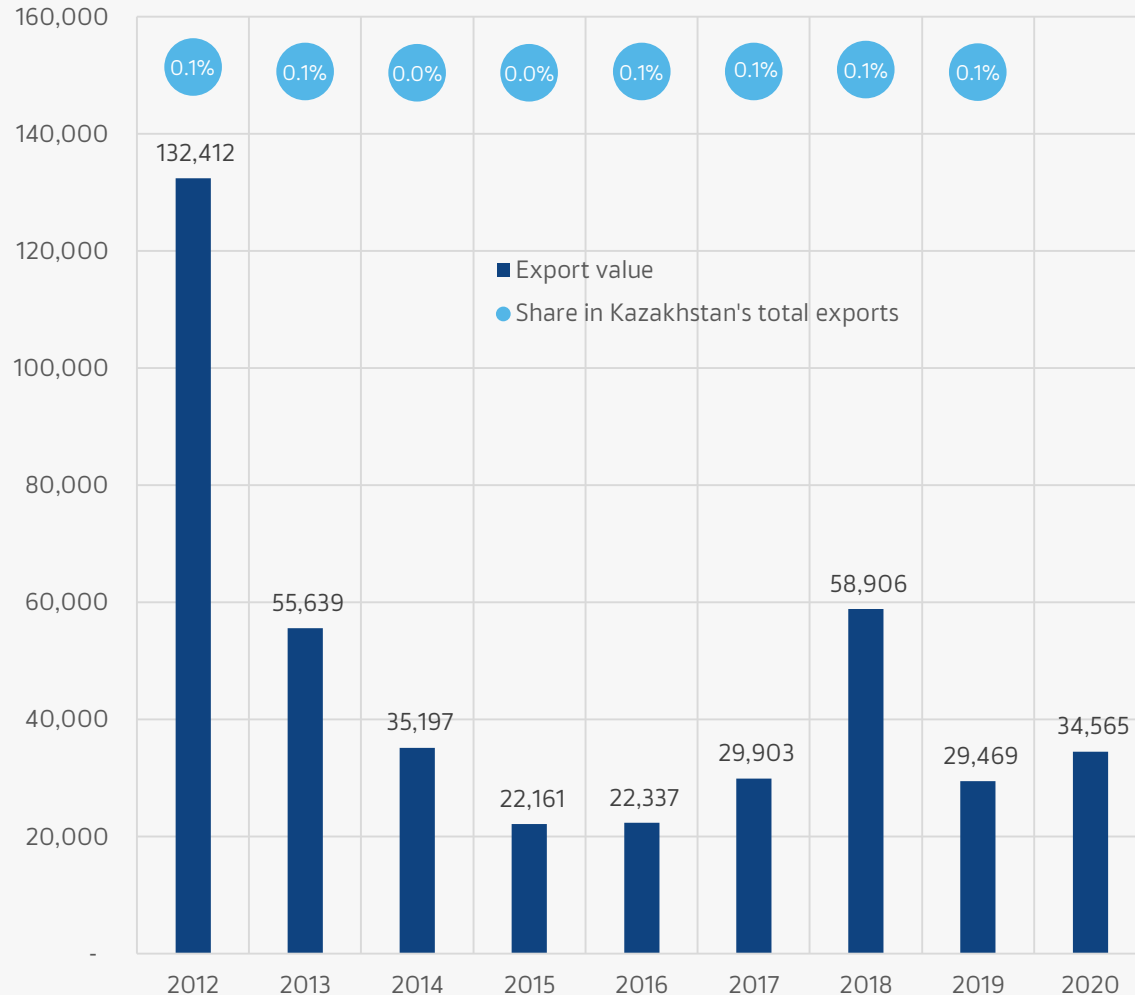
### GEO exports of food & beverages to KAZ (USD '000)

	2019	2020	Share in 2020	YoY, USD '000	YoY, %
Mineral waters	14,240	16,301	47.3%	2,061	14.5%
Wine	8,489	6,908	20.0%	(1,581)	-18.6%
Poultry	818	4,364	12.7%	3,546	433.2%
Spirits	1,205	3,338	9.7%	2,133	177.1%
Waters with added sugar	1,602	1,485	4.3%	(117)	-7.3%
Nuts, fruits and Spices	1,465	877	2.5%	(588)	-40.2%
Other	1,801	1,189	3.5%	(612)	-34.0%
<b>Total</b>	<b>29,620</b>	<b>34,462</b>		<b>4,842</b>	<b>16.3%</b>

### Share of GEO exports in KAZ food & beverages imports



## Kazakhstan's exports to Georgia (USD '000)

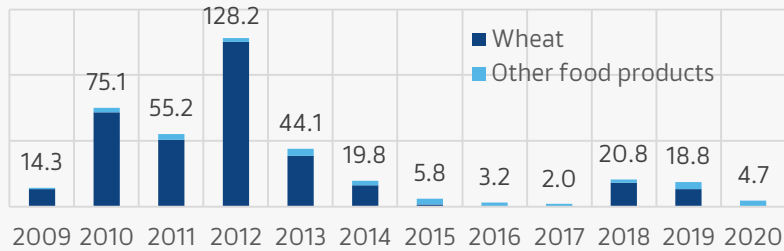


## Kazakhstan's exports to Georgia by products (USD '000)

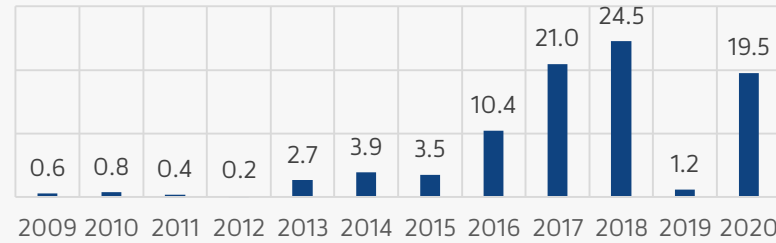
	2019	2020	Share in 2020	YoY, 1000 USD	%, YoY
Petroleum	1,173	19,545	56.5%	18,372	1,566%
Food products	18,788	4,675	13.5%	(14,114)	-75%
Ferro-Alloys,	2,113	3,665	10.6%	1,552	73%
Natural Gas	285	1,545	4.5%	1,259	442%
Machinery and electronics	2,889	1,321	3.8%	(1,567)	-54%
Plastic articles	880	703	2.0%	(176)	-20%
Coal	1,850	464	1.3%	(1,386)	-75%
Textile & apparel	92	339	1.0%	247	268%
Fertilizers	0	130	0.4%	130	-
Glass production	157	110	0.3%	(48)	-30%
Furniture	15	70	0.2%	55	367%
Other	1,227	1,999	0	773	63%
<b>Total</b>	<b>29,469</b>	<b>34,566</b>		<b>5,097</b>	<b>17%</b>

# Kazakhstan's exports to Georgia: Dynamics of Key items (USD mln)

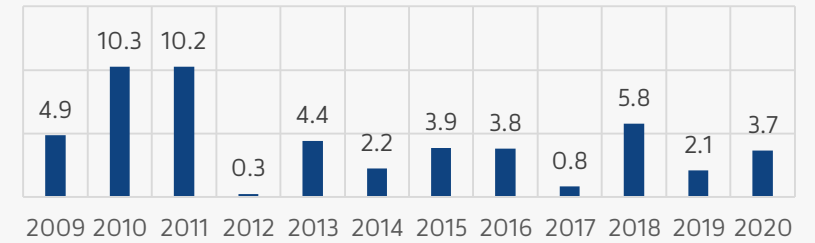
### Food products



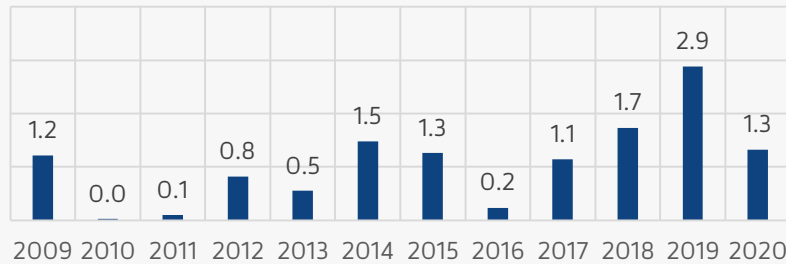
### Petroleum products



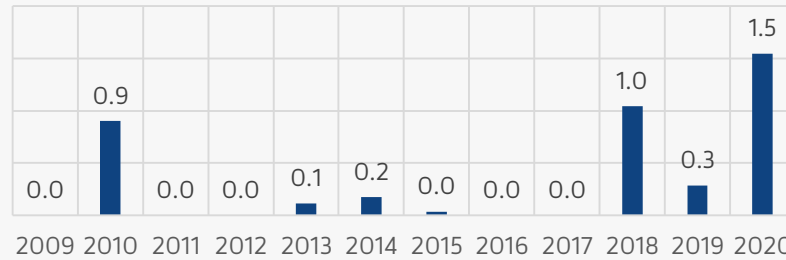
### Ferro-Alloys and other metal produce



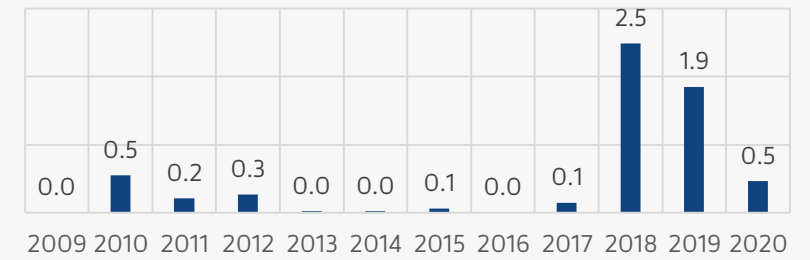
### Machinery and electronics



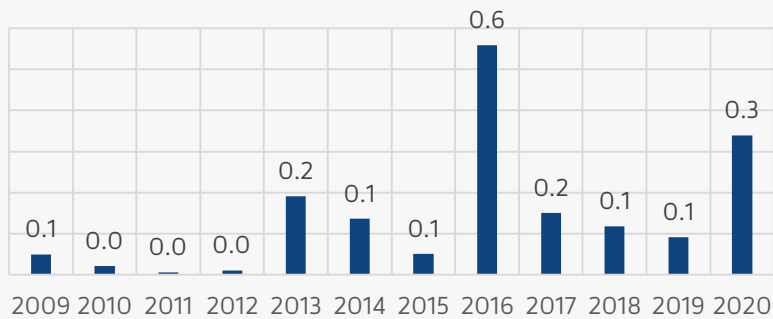
### Natural Gas



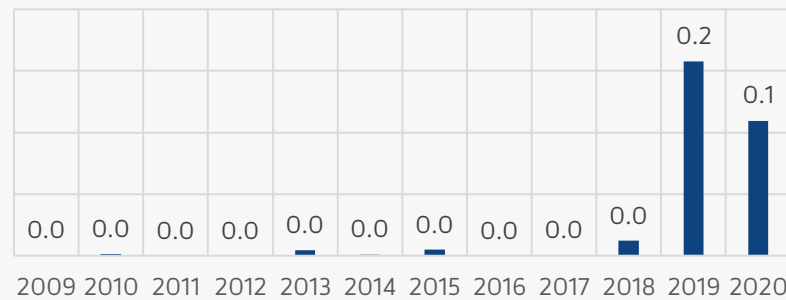
### Coal



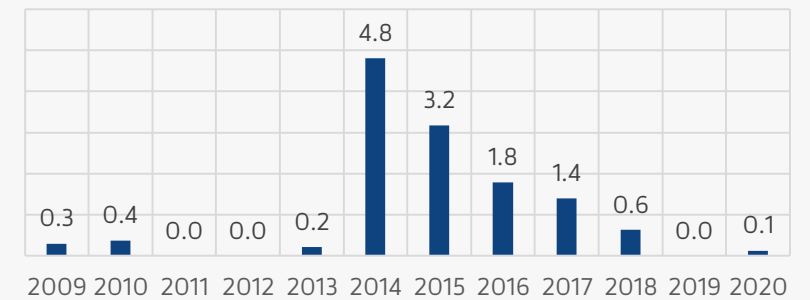
### Textile, apparel and other accessories



### Glass products



### Fertilizers

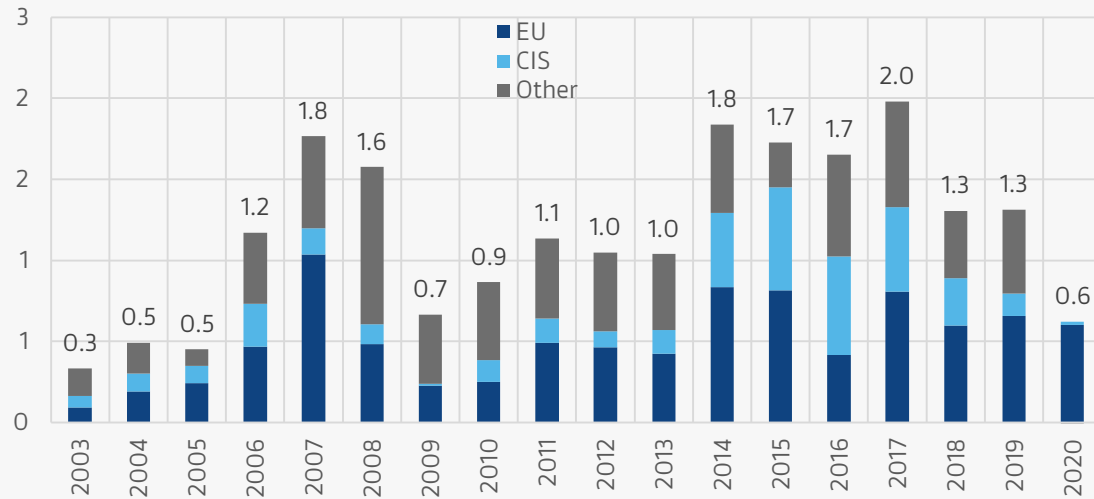




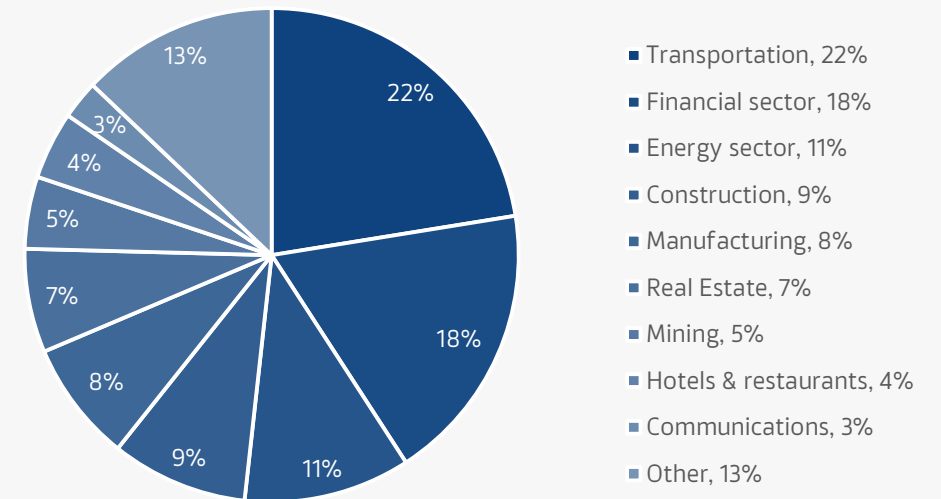
# FDI

- **Kazakhstan stands in the top 20 countries with the highest registered FDI inflows in Georgia in the 2005-2020 period**
- **In terms of FDI inflows in Georgia from Central Asia, Kazakhstan is the undeniable leader, holding up to 86% in the same period**
- **Throughout the past five years, the majority of Kazakhstan's FDI inflows in Georgia came on the construction, HORECA, transportation, real estate, and the financial sectors**
- **At USD 136 mln, Georgia's FDI in Kazakhstan posted a record breaking amount in 2020, exceeding the previous 15 years' average by almost 20x**

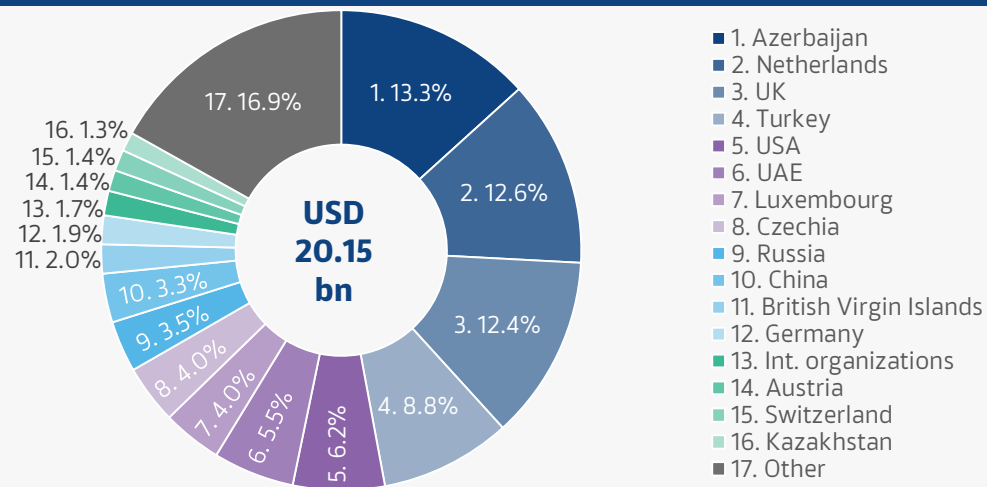
## FDI inflows in Georgia (USD bn)



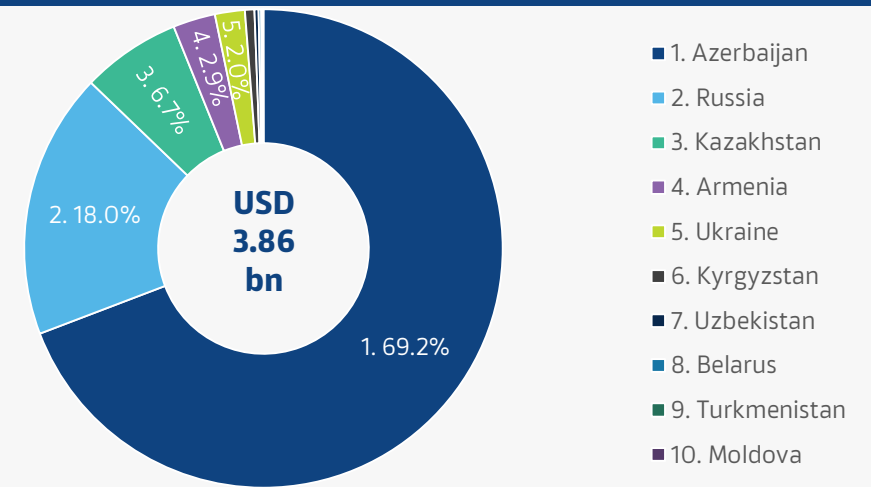
## Sectoral breakdown of FDI in Georgia (2015-2020)



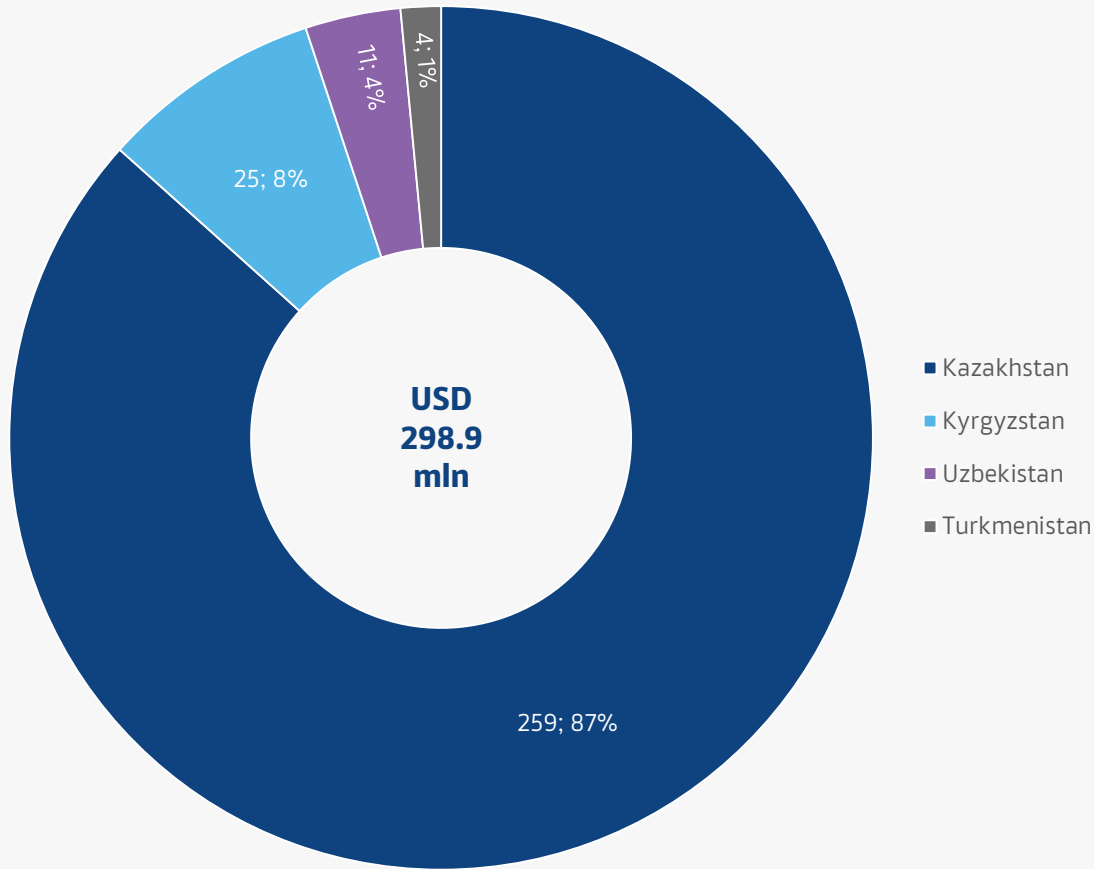
## FDI inflows in Georgia (2005-2020)



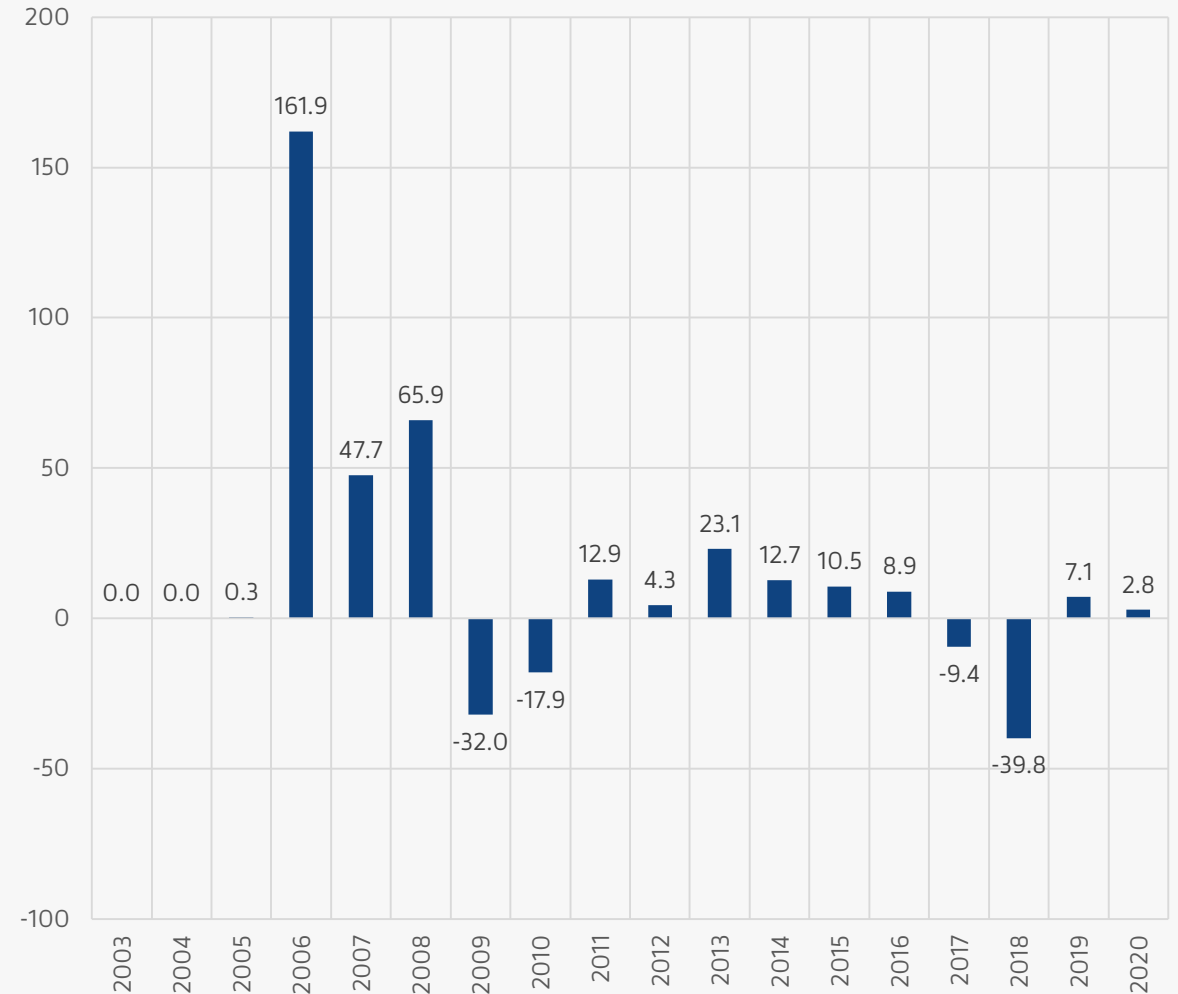
## FDI inflows in Georgia from the CIS (2005-2020)



FDI inflows in Georgia from Central Asia\* (2005-2020)



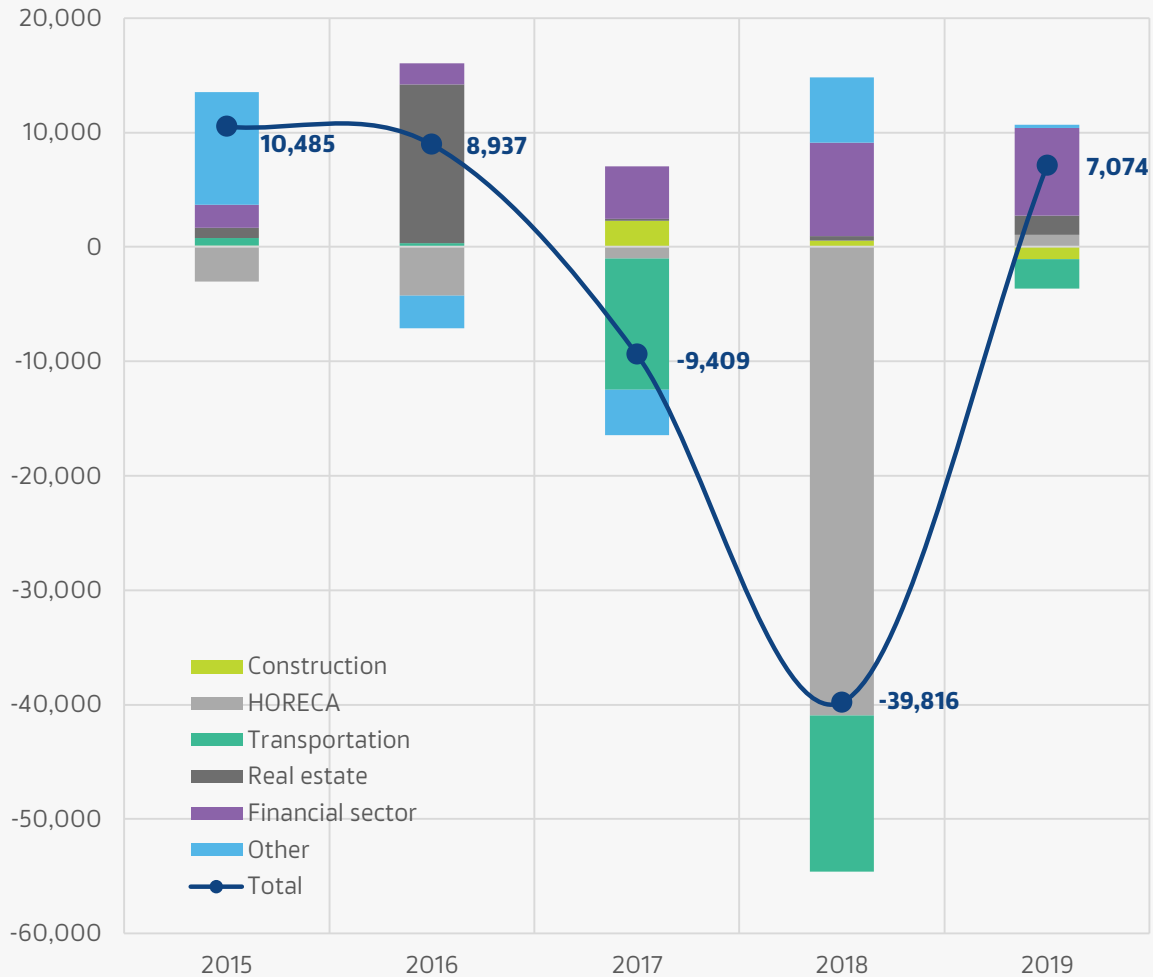
Kazakhstan FDI inflows in Georgia (USD '000)



Source: NBG, GeoStat, TBC Capital; \*Data for Tajikistan not available due to insignificant volumes

# FDI inflows from Kazakhstan to Georgia – detailed breakdown

**FDI inflows breakdown by sectors (USD '000)**

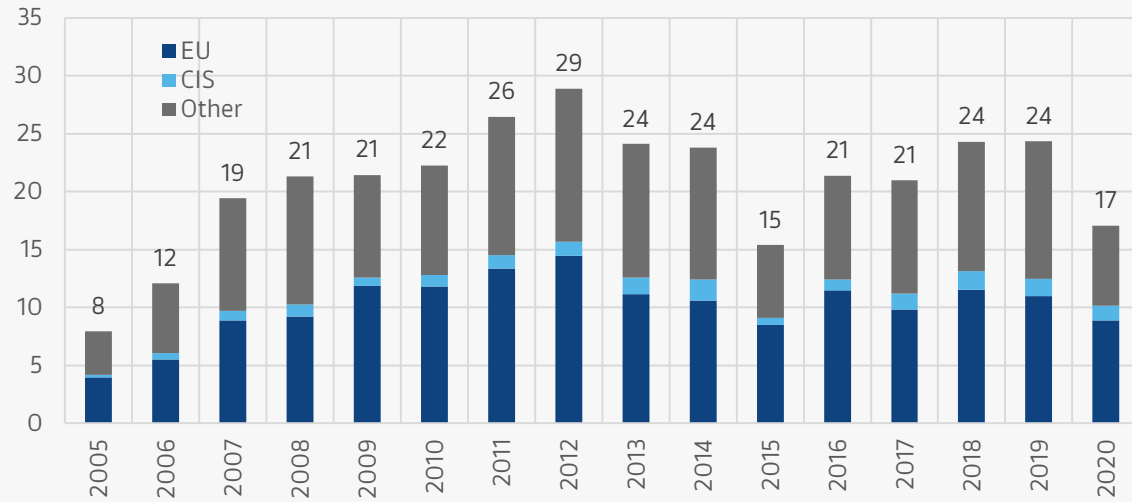


**Top 10\* FDI recipients and investors**

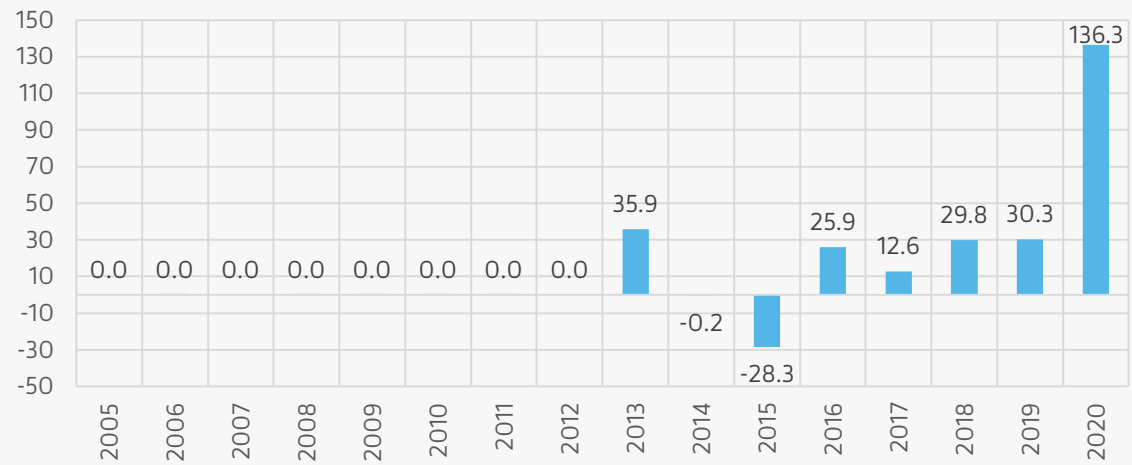
	FDI recipient	Investor
Top 10 in 2019	Amadeus GDS	Amadeus GDS
	Prime Group	Individuals
	KPMG Georgia	Individuals
	Iceberg Poti	Individual
	Air Astana Geo rep office	Air Astana
	Tiflisi Business center	Individuals
	LTD Ipocenter	Individual
	Shovi Resorts	Individual
	G and G +	Individual
	Forgegate properties Georgia	Individuals
Top 10 in 2018	Amadeus GDS	Amadeus GDS
	Tbilisi Energy	Inter Gas finance; Kaztransgas
	LTD Antica Wine	Individual
	LTD Medical Technology	Individuals
	KPMG Georgia	Individuals
	Air Astana Geo rep office	Air Astana
	LTD Ipocenter	Individual
	Shovi Resorts	Individual
	LTD Rati	Individual
	Forgegate properties Georgia	Individuals

Source: GeoStat, NBG, TBC Capital; \*not listed by investment size

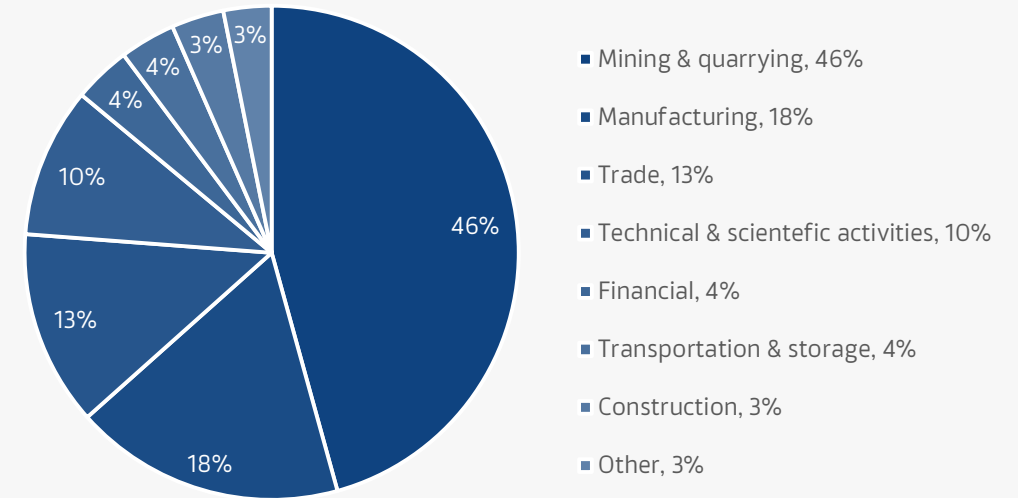
## FDI inflows in Kazakhstan (USD bn)



## Georgian FDI inflows in Kazakhstan (USD mln)



## Sectoral breakdown of FDI in Kazakhstan (2015-2020)

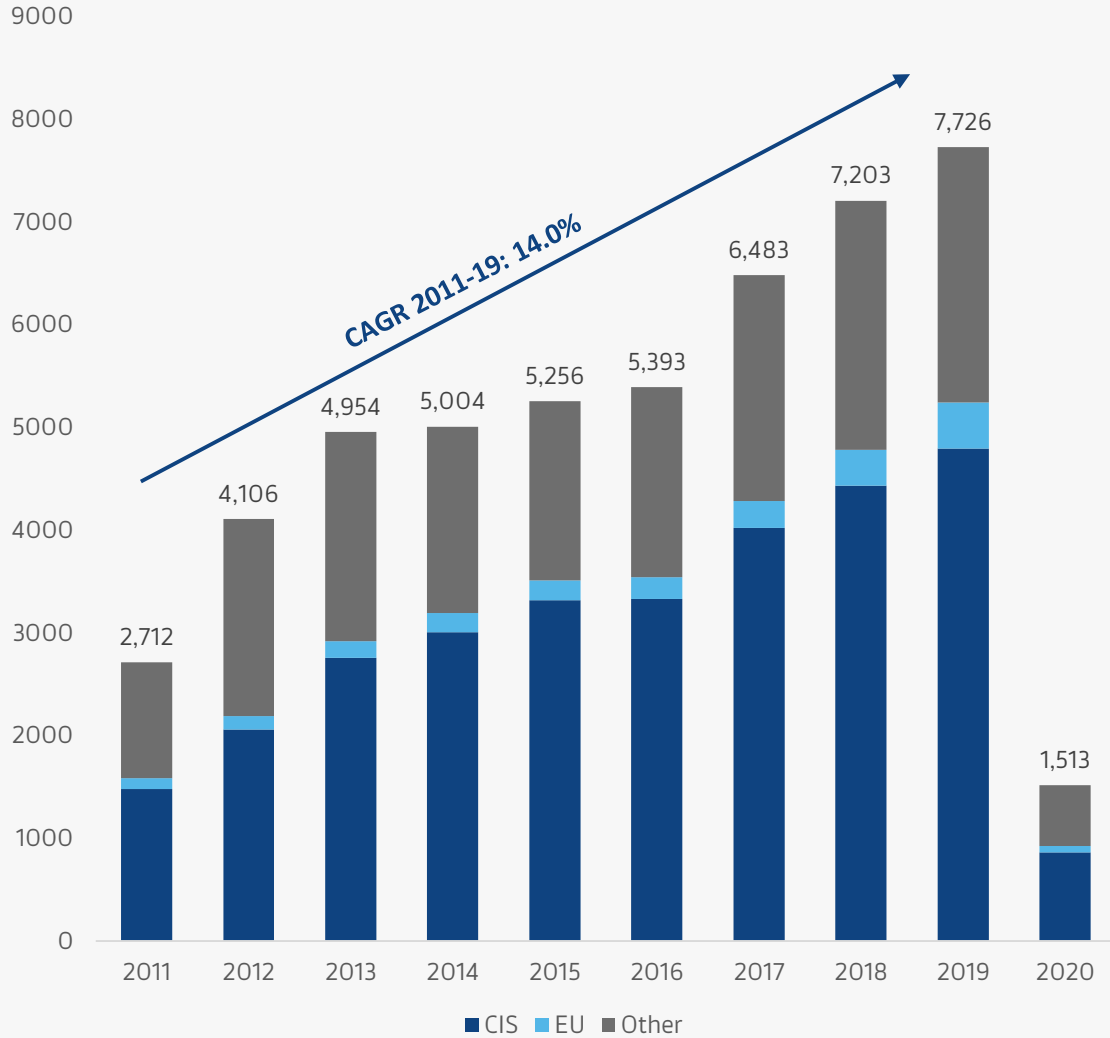


# Tourism

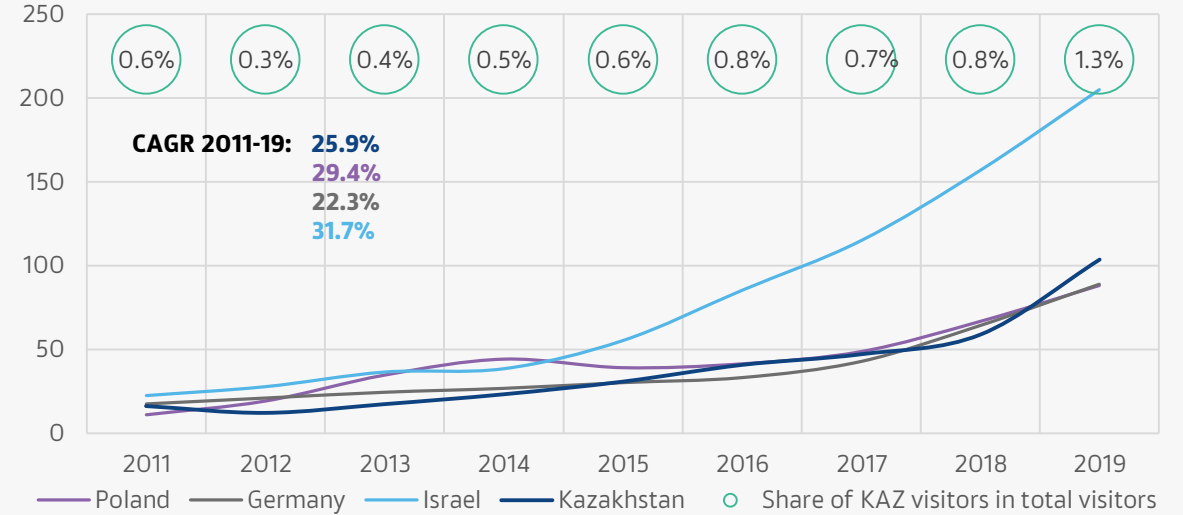
- While the number of incoming visitors in Georgia has grown at an 8Y CAGR of 14% in 2011-2019, having grown at a 26% 8Y CAGR over the same period, Kazakhstan stands among the fastest growing countries of origin
- The share of visit to Georgia in Kazakhstan's total outbound visits has increased from 0.2% in 2011 to 1.0% in 2019
- Kazakhstan stands alongside European countries in terms of the length of stay as well as the average expenditure per visit to Georgia

# Tourism: Strong Growth from Kazakhstan and further growth potential

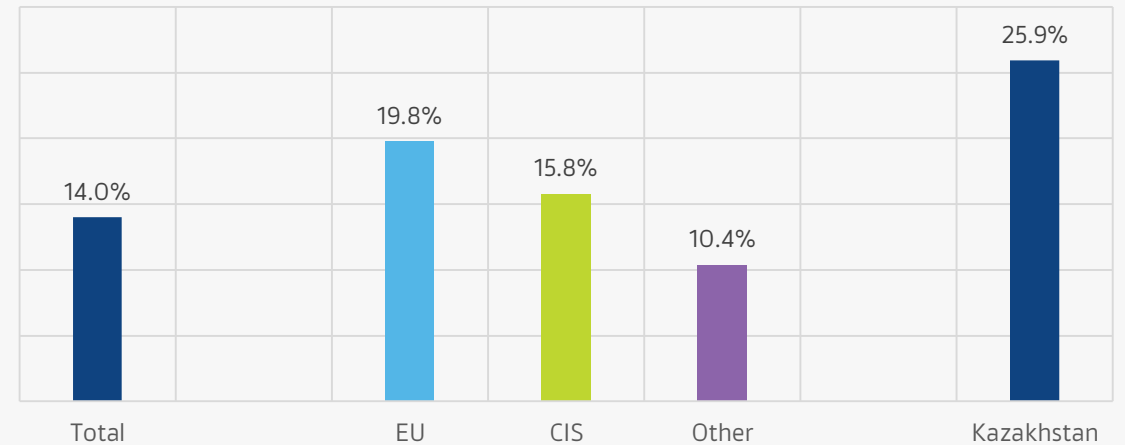
### Number of incoming visitors in Georgia (1,000 persons)



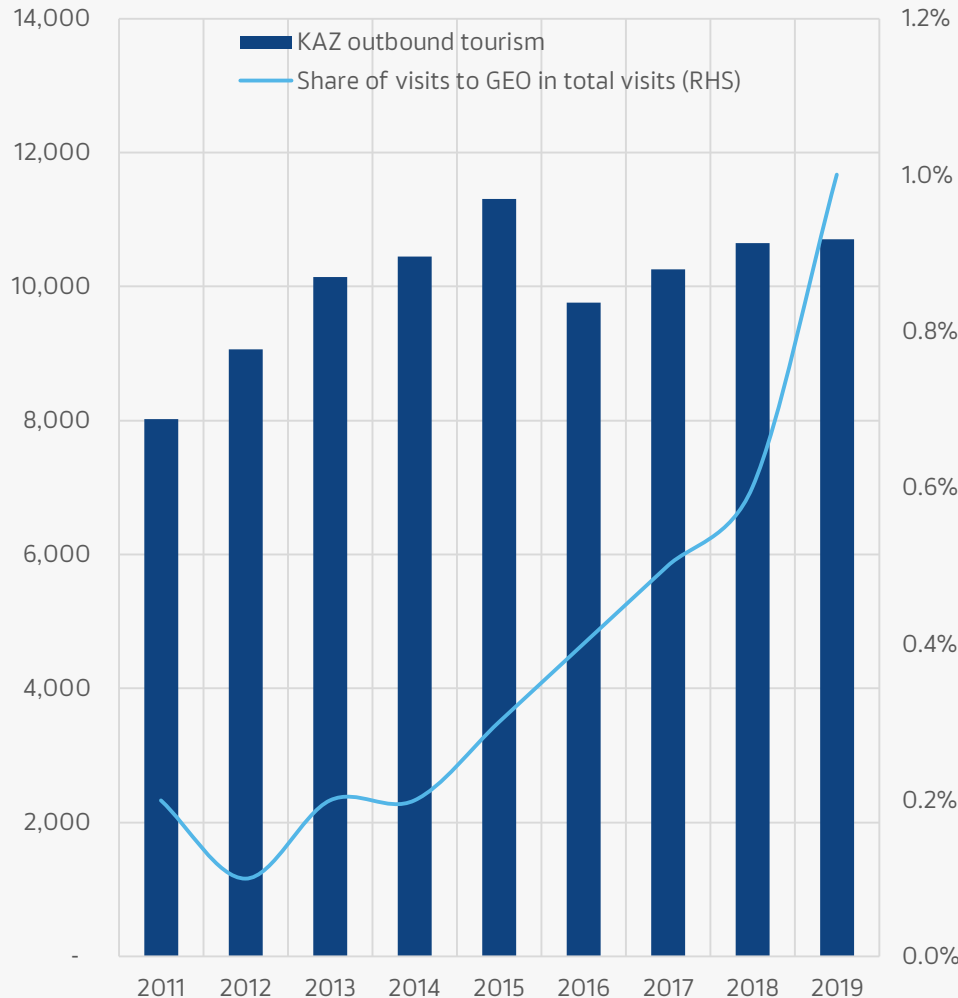
### Number of incoming visitors to Georgia (1,000 persons)



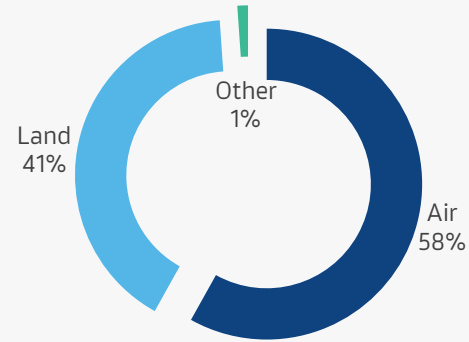
### AVG growth of visitors in Georgia (2011-2019)



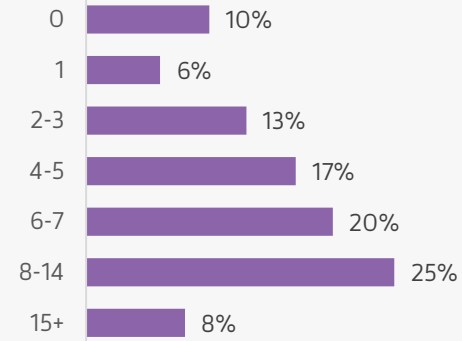
### Kazakhstan's outbound tourism (1,000 persons)



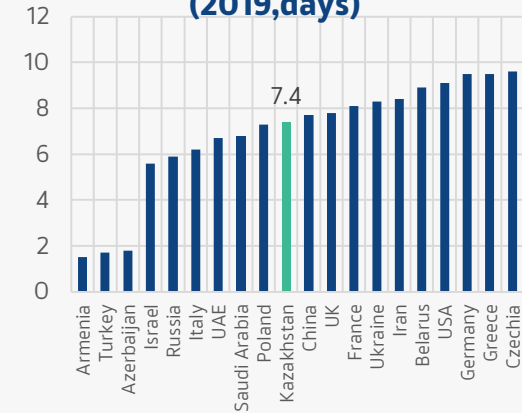
### Arrivals of KAZ visitors in GEO by border type (2019)



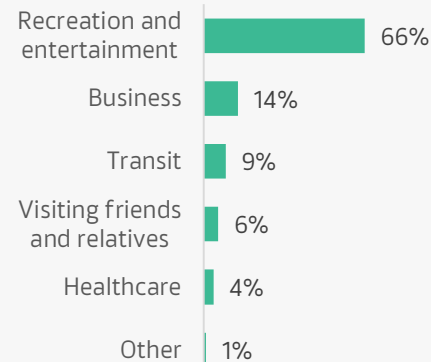
### Duration of stay by KAZ visitors in GEO (2019)



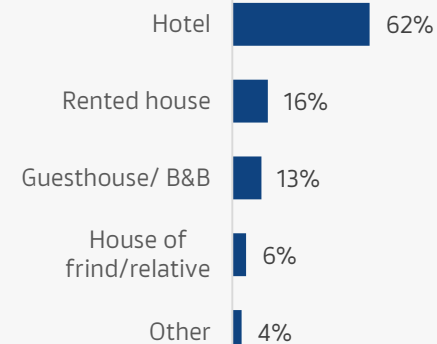
### AVG length of stay in GEO by countries (2019, days)



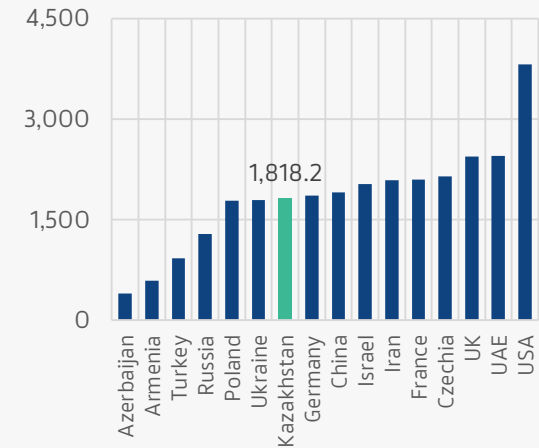
### Purpose of visit of KAZ visitors in GEO (2019)



### Type of accom. KAZ visitors are staying in GEO (2019)



### Expenditure per visit in GEO by countries (2019, GEL)





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