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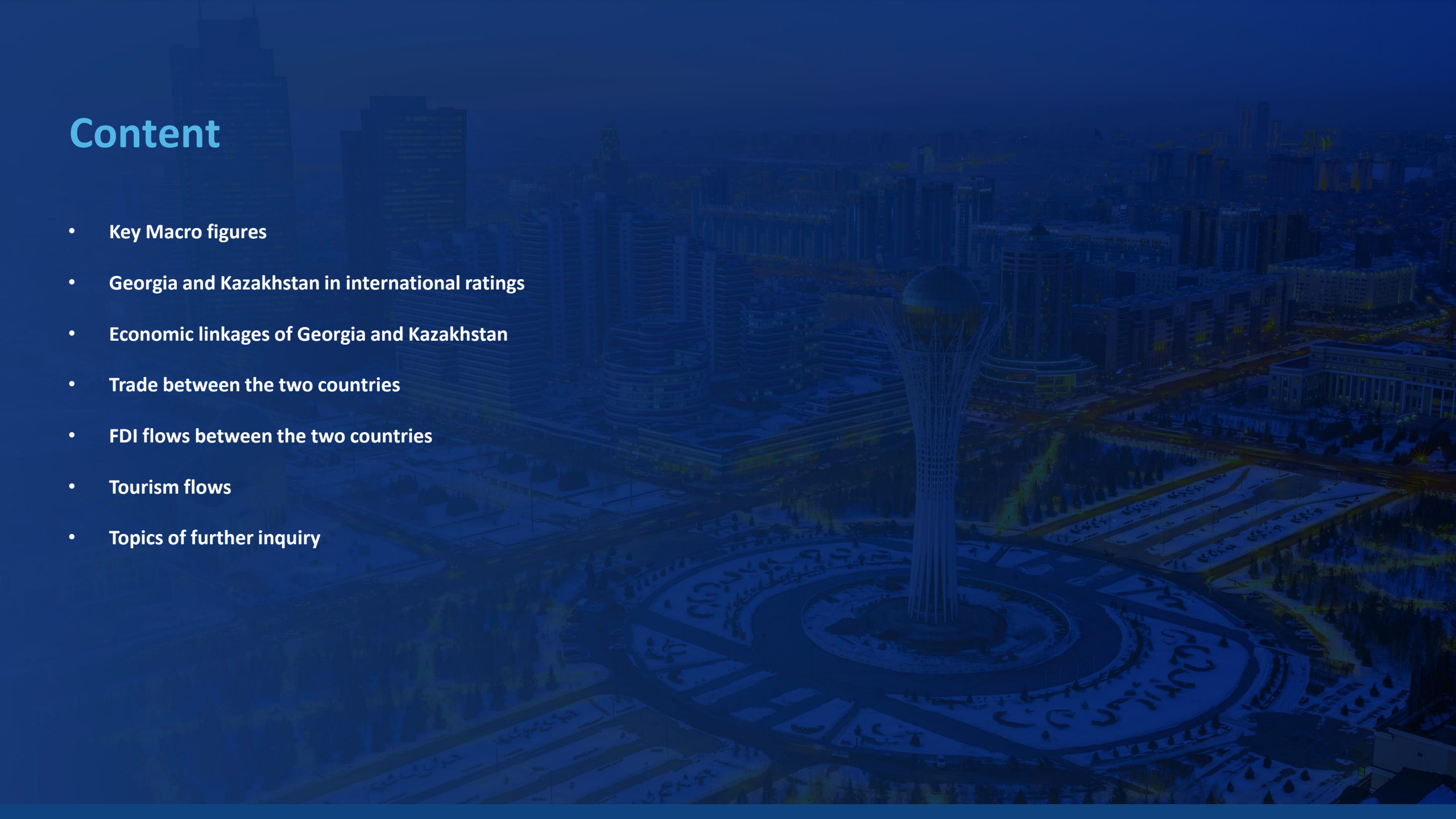
Georgia - Kazakhstan

ENCHANCING ECONOMIC PARTNERSHIP

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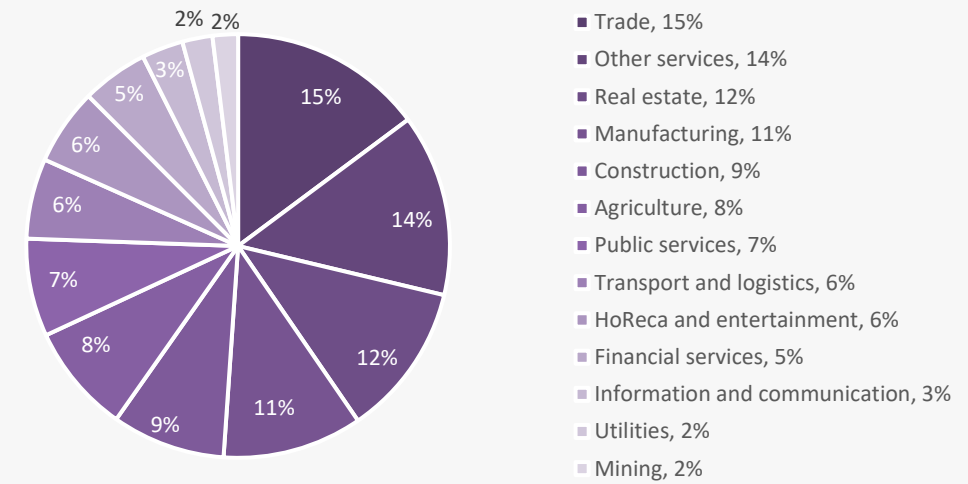
Content

- 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
- Topics of further inquiry

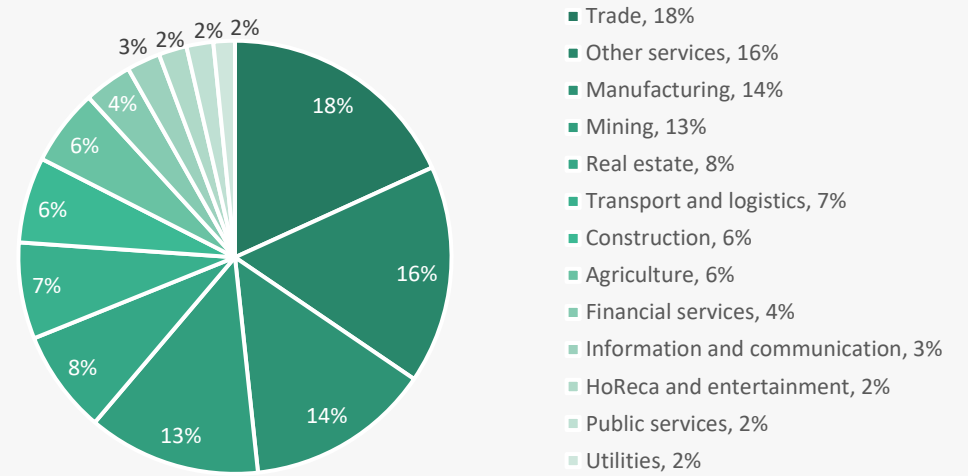


Key Parameters	Georgia	Kazakhstan
Population (mln persons, 2021)	3.7	18.8
Population growth (CAGR 2010-2021, %)	-0.22	1.4
GDP (bn USD), 2020	15.8	171.1
GDP per capita at PPP, 2020	14,849	25,337
AVG GDP growth (% , 2015-20)	2.3	2.3
Projected GDP growth in 2022 (%)	5.5	3.9
Projected Long term GDP growth (% , 2023-26 average)	5.2	4.3
Government revenue to GDP (2020, %)	25.6	23.7
Government debt to GDP (2020, %)	42.5	26.3
CA balance to GDP (2020, %)	-6.2	-3.8
Credit ratings:		
Fitch	BB/stable	BBB/stable
Moody's	Ba2/stable	Baa2/stable
S&P	BB/negative	BBB-/stable
Doing Business Rank Globally (2020)	7	25
Global Competitiveness Index Rank (2019)	74	55

GDP Structure: Georgia, 2020



GDP Structure: Kazakhstan, 2020



Georgia and Kazakhstan positions in international rankings

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

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

Georgia and Kazakhstan positions in international rankings

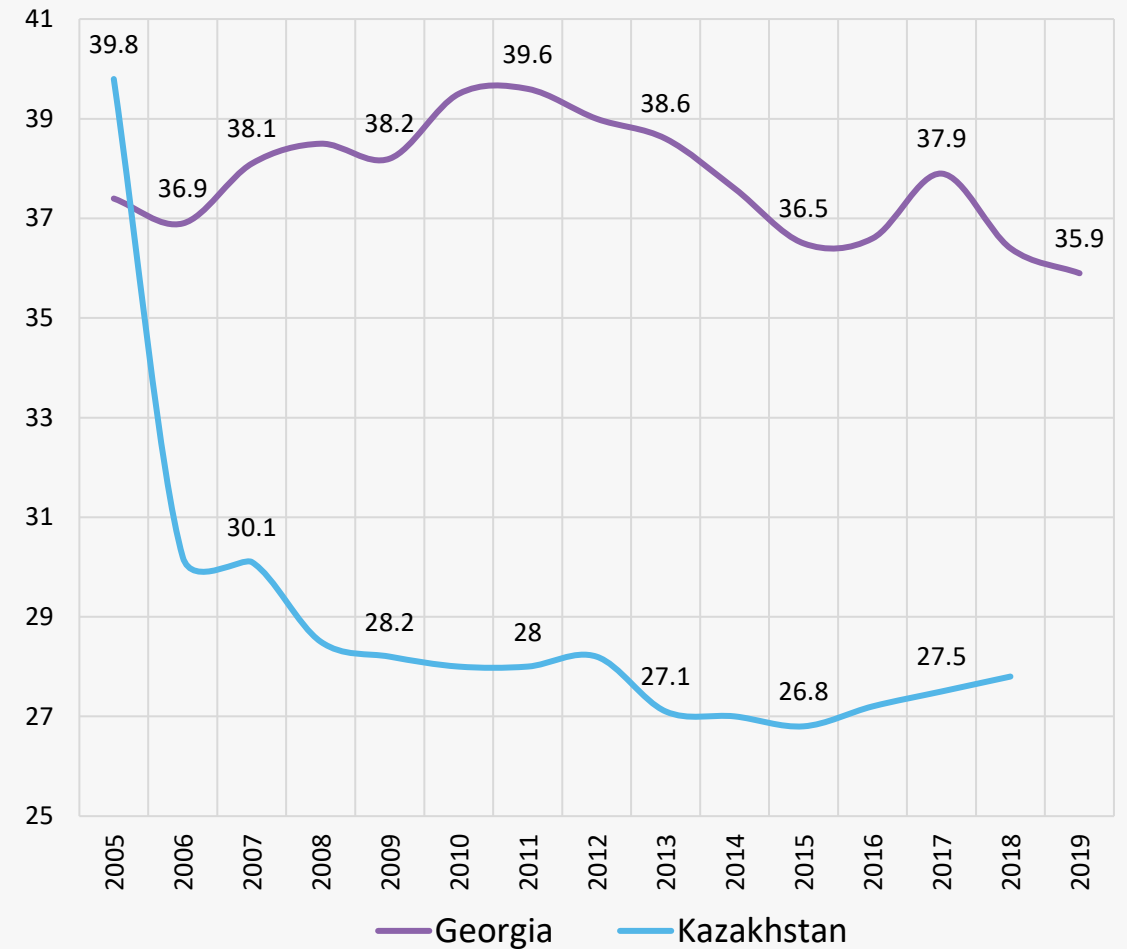
Index of Economic Freedom 2022		Georgia	
World Rank		26	
Overall Score		71.8	
Rule of Law		Government Size	
Property Rights	63.8	Tax Burden	89.1
Judicial Effectiveness	56.4	Government Spending	72.7
Government Integrity	64.4	Fiscal Health	67.1
Regulatory Efficiency		Open Markets	
Business Freedom	74.1	Trade Freedom	86.6
Labor Freedom	61.9	Investment Freedom	80.0
Monetary Freedom	76.0	Financial Freedom	70.0

Index of Economic Freedom 2022		Kazakhstan	
World Rank		64	
Overall Score		64.4	
Rule of Law		Government Size	
Property Rights	55.3	Tax Burden	92.7
Judicial Effectiveness	34.5	Government Spending	86.5
Government Integrity	37.9	Fiscal Health	93.5
Regulatory Efficiency		Open Markets	
Business Freedom	64.7	Trade Freedom	75.4
Labor Freedom	62.7	Investment Freedom	50.0
Monetary Freedom	69.1	Financial Freedom	50.0

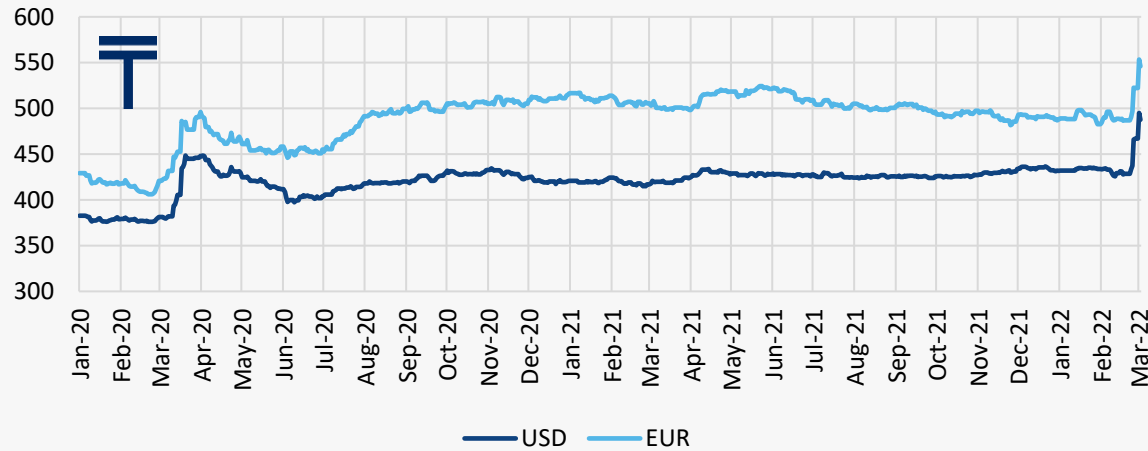
Georgia and Kazakhstan positions in international rankings

Global Innovation Index 2021	Georgia	Kazakhstan
Global Rank	63	79
Input Rank	49	61
Output Rank	74	101
Institutions	76.2	69.8
Human Capital and Research	32.5	31.7
Infrastructure	36.3	44.4
Market Sophistication	53.9	43.8
Business Sophistication	25.6	23.0
Knowledge and Technology Outputs	18.1	15.0
Creative Outputs	21.8	14.3

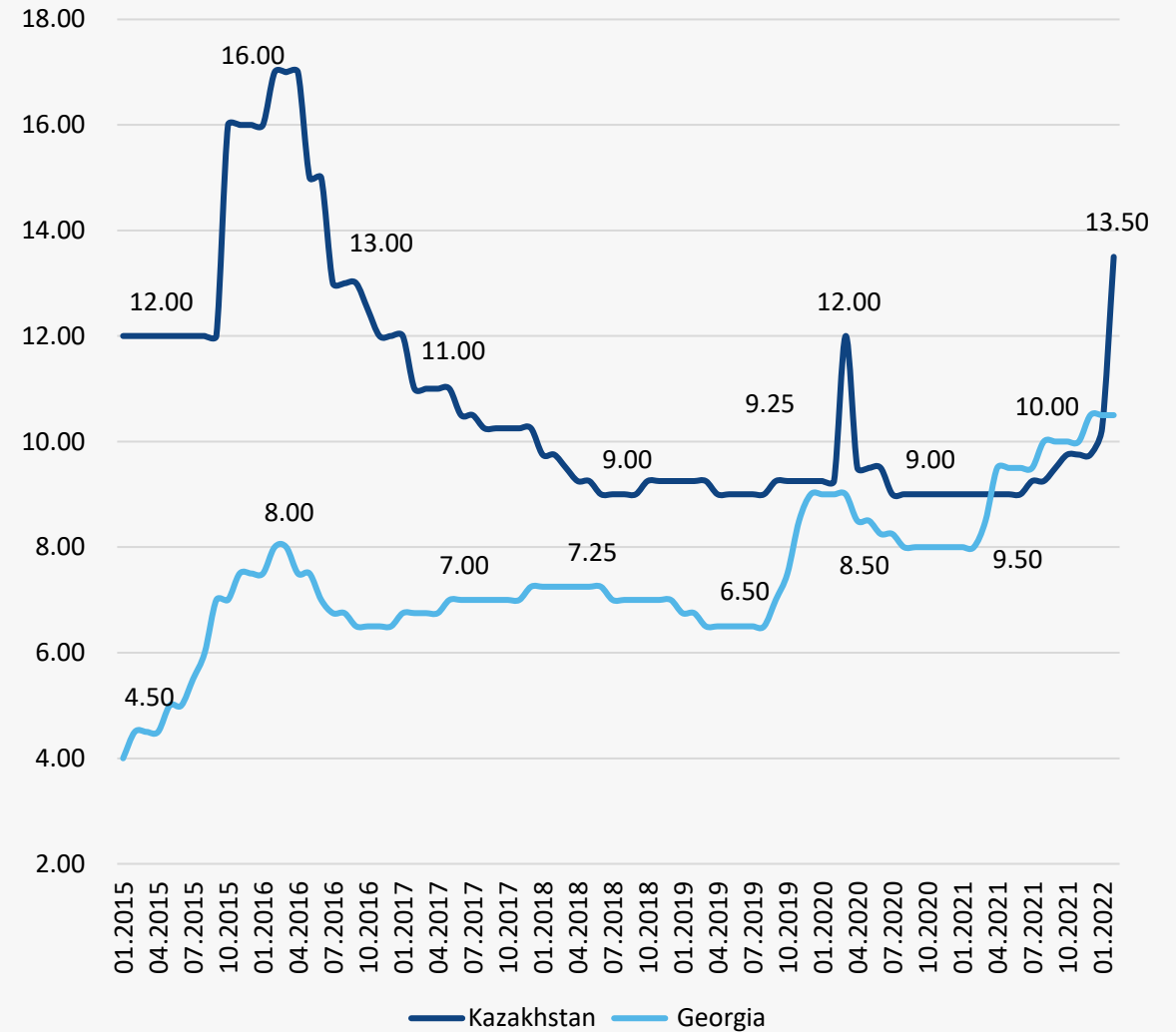
Gini Index



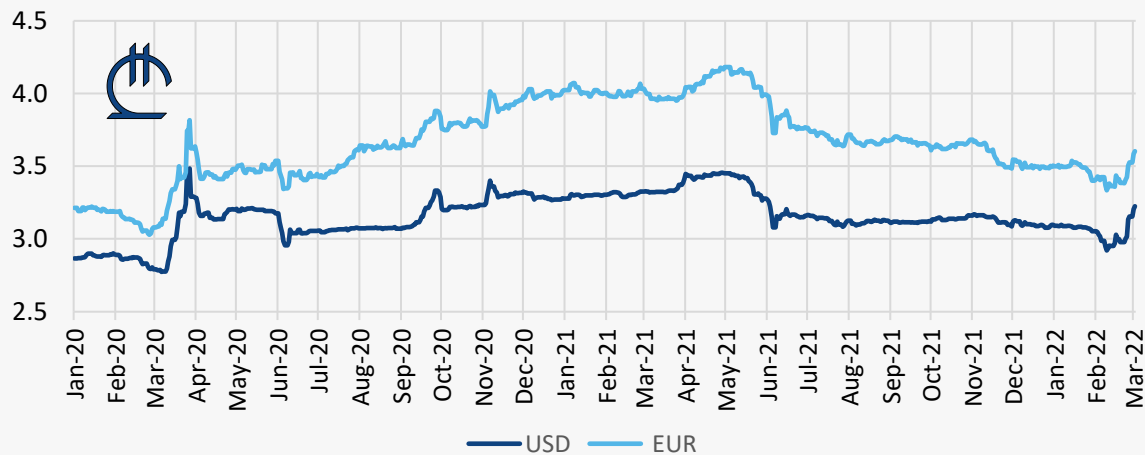
Kazakhstani Tenge – Official Exchange Rates



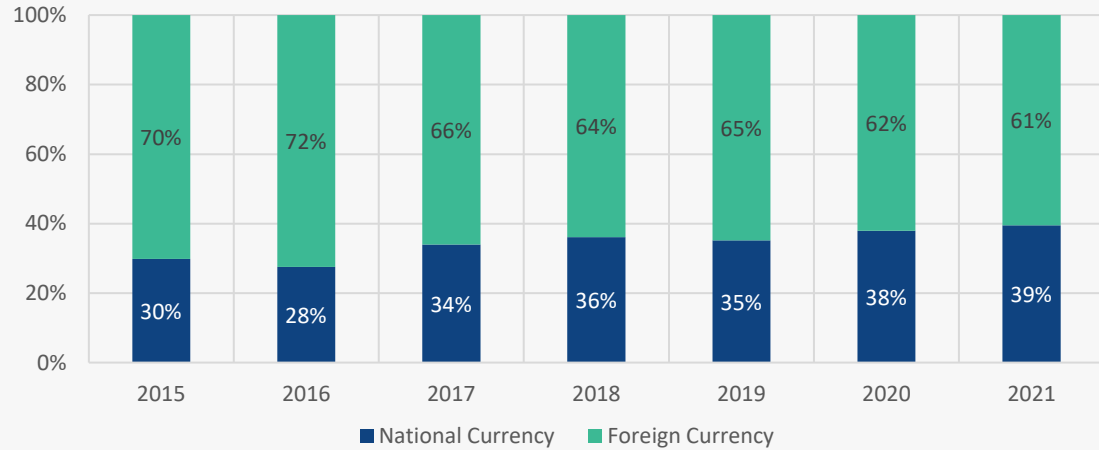
Monetary Policy Rate (%)



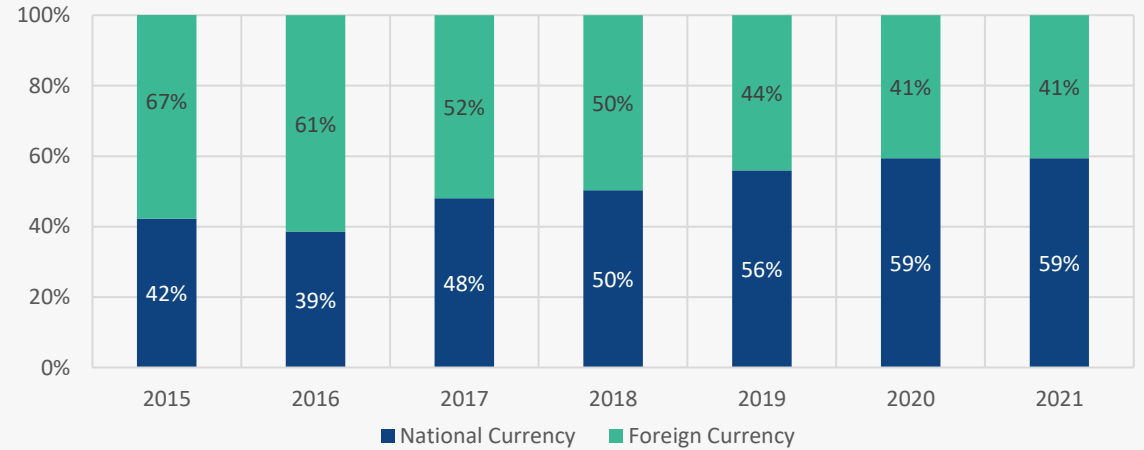
Georgian Lari – Official Exchange Rates



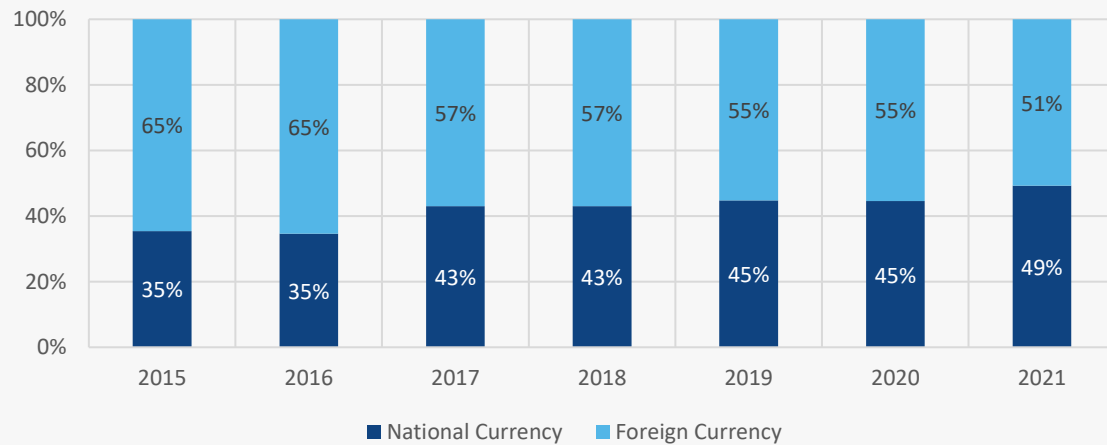
Deposits in Georgian Banks



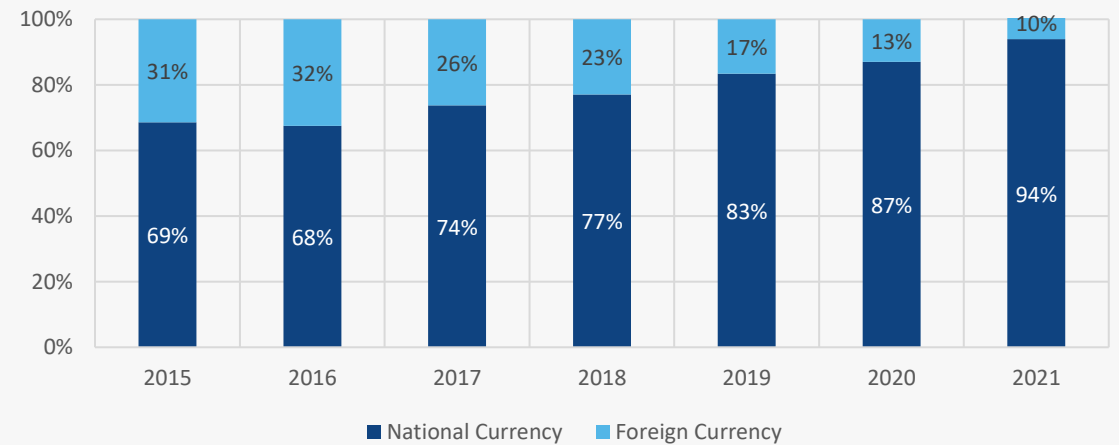
Deposits in Kazakhstan Banks



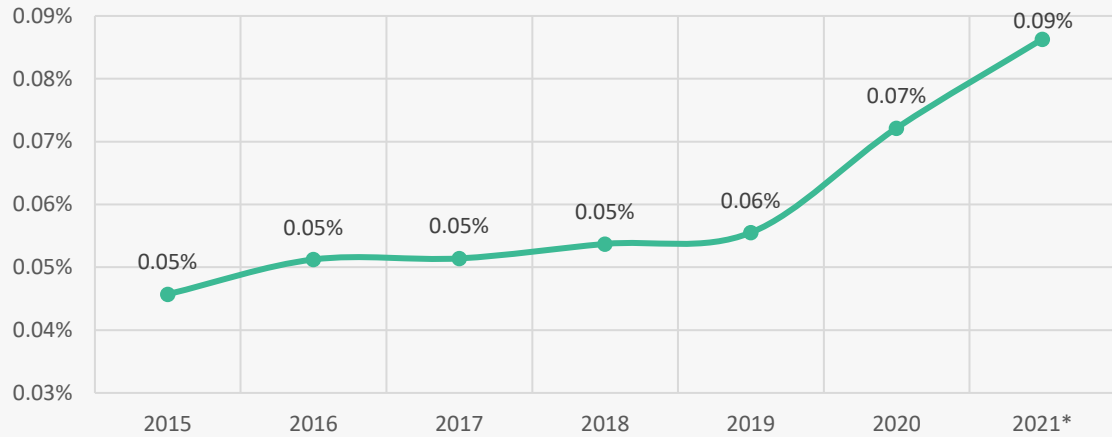
Loans in Georgian Banks



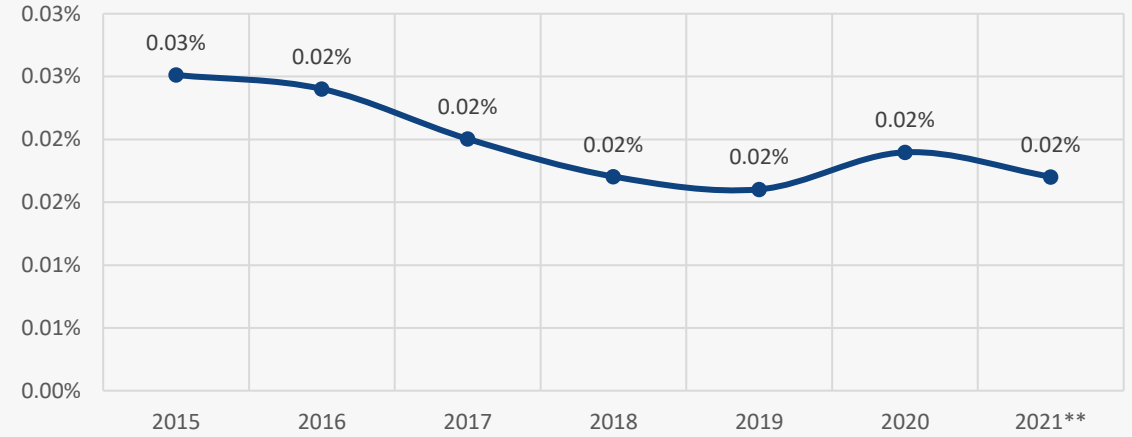
Loans in Kazakhstan Banks



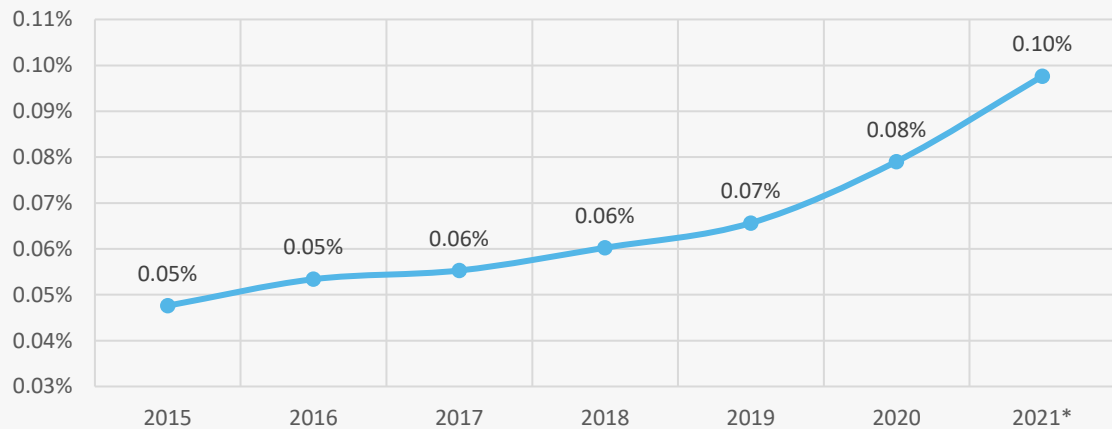
Deposits in Georgian Banks to Nominal GDP (%)



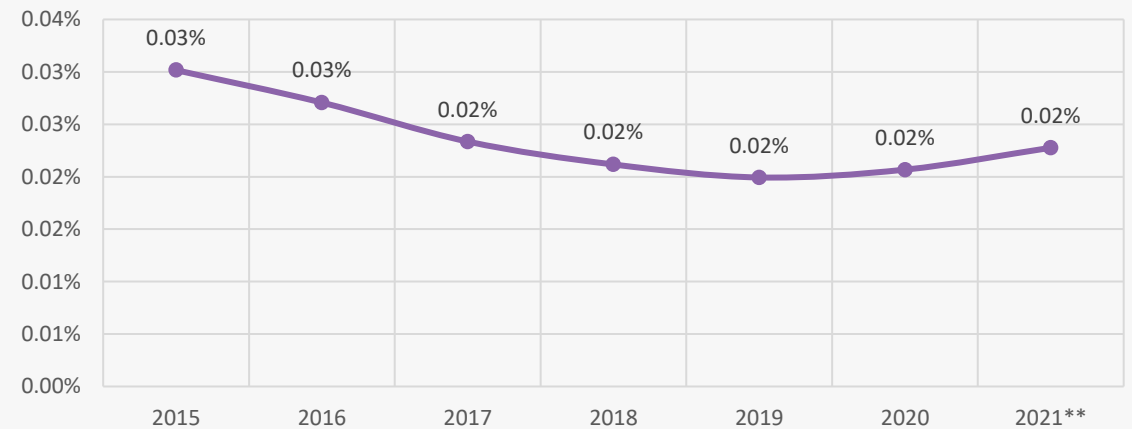
Deposits in Kazakhstan Banks to Nominal GDP (%)



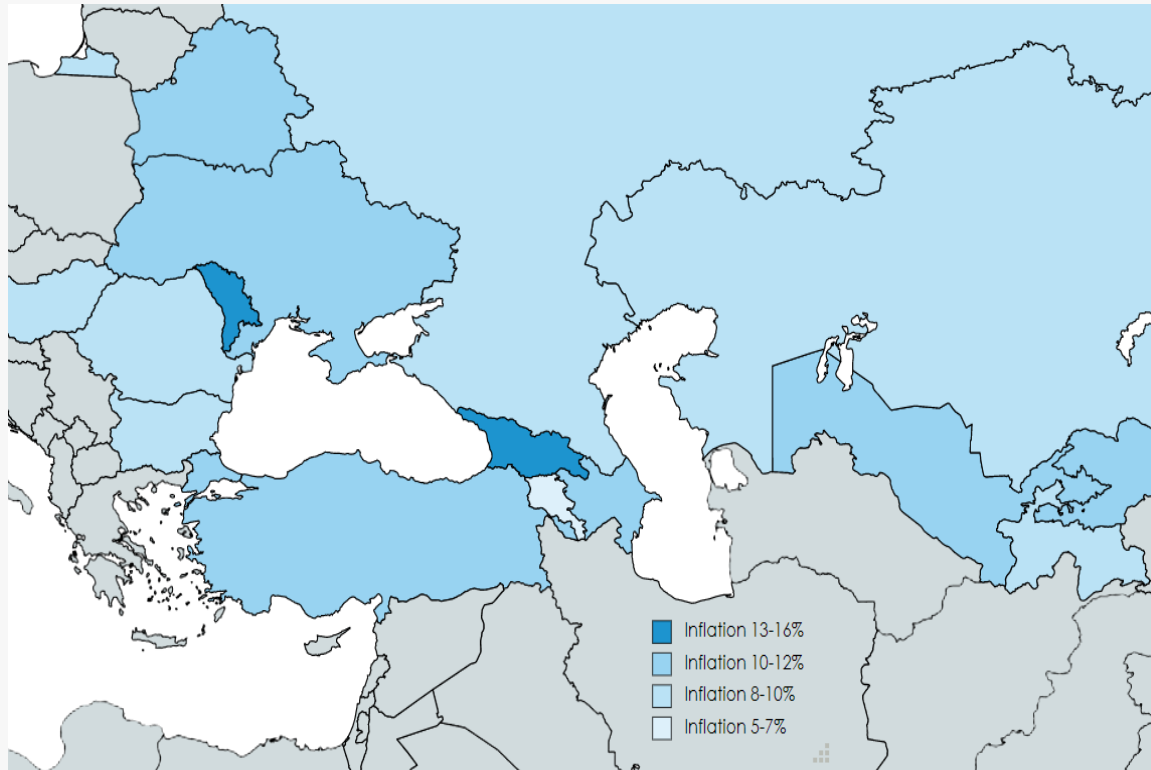
Loans in Georgian Banks to Nominal GDP (%)



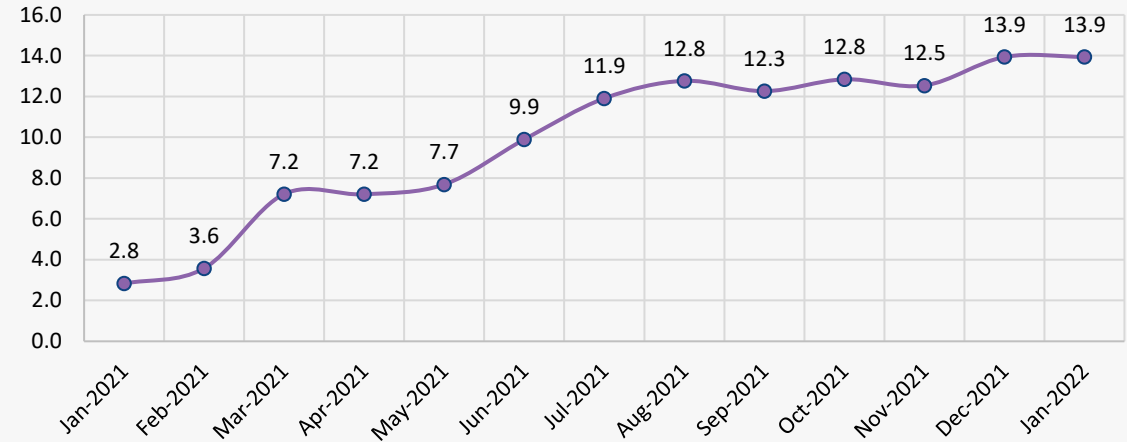
Loans in Kazakhstan Banks to Nominal GDP (%)



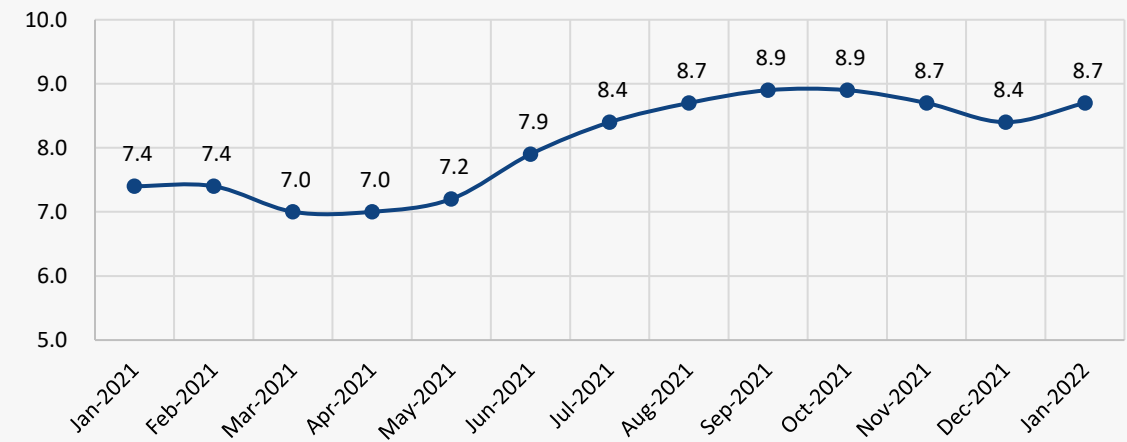
Inflation Rates – January 2022



Georgia - Monthly Inflation Rates (%)



Kazakhstan - Monthly Inflation Rates (%)



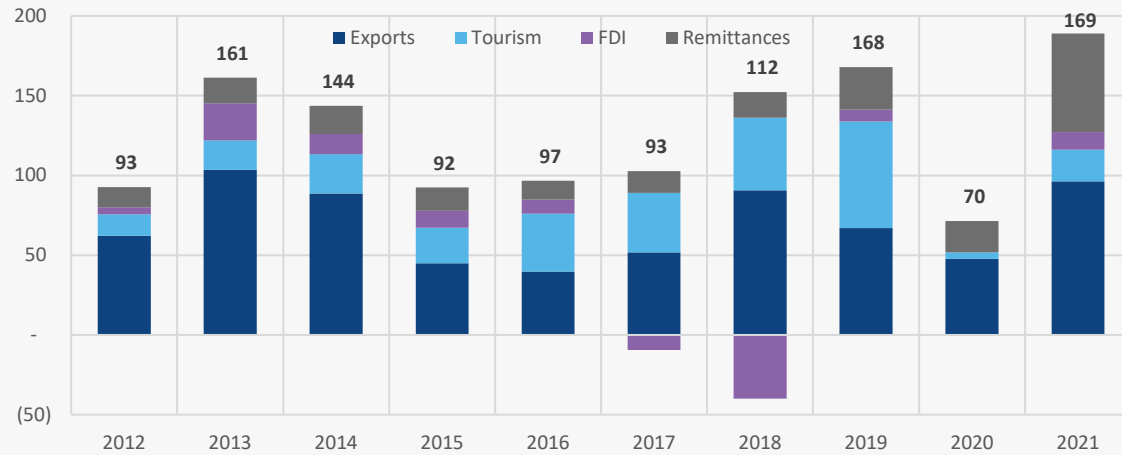
Georgia – GDP Regional Distribution

Region	2016	2017	2018	2019	2020
Tbilisi	53%	51%	52%	51%	51%
Adjara	10%	9%	9%	10%	9%
Imereti	8%	9%	9%	8%	8%
Kvemo Kartli	7%	8%	8%	7%	8%
Samegrelo	6%	6%	5%	6%	6%
Kakheti	5%	5%	5%	5%	5%
Shida Kartli	4%	3%	4%	4%	4%
Samtskhe-Javakheti	3%	3%	3%	3%	3%
Mtskheta-Mtianeti	2%	2%	2%	2%	3%
Guria	2%	2%	2%	2%	2%
Racha-Lechkhumi	0%	0%	1%	1%	1%

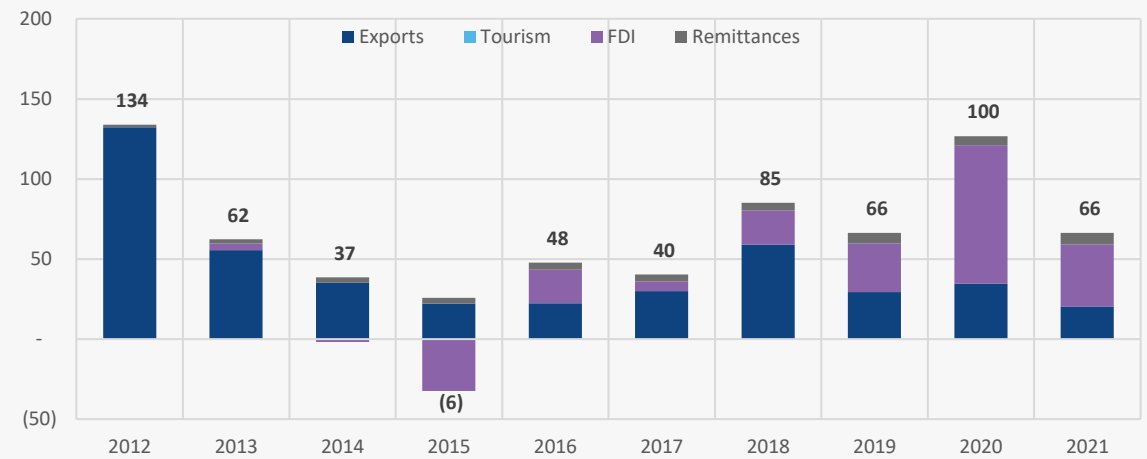
Kazakhstan – GDP Regional Distribution

Region	2016	2017	2018	2019	2020
Almaty city	23%	22%	20%	19%	19%
Nur-Sultan city	10%	11%	11%	11%	11%
Atyrau	11%	11%	13%	13%	11%
Karagandy	8%	8%	8%	8%	9%
Shygys	6%	6%	6%	6%	7%
Almaty	5%	5%	5%	5%	5%
Pavlodar	4%	4%	4%	4%	4%
Mangistau	5%	6%	6%	5%	4%
Aktobe	4%	4%	4%	4%	4%
Kostanai	3%	3%	3%	4%	4%
Other	20%	23%	27%	30%	32%

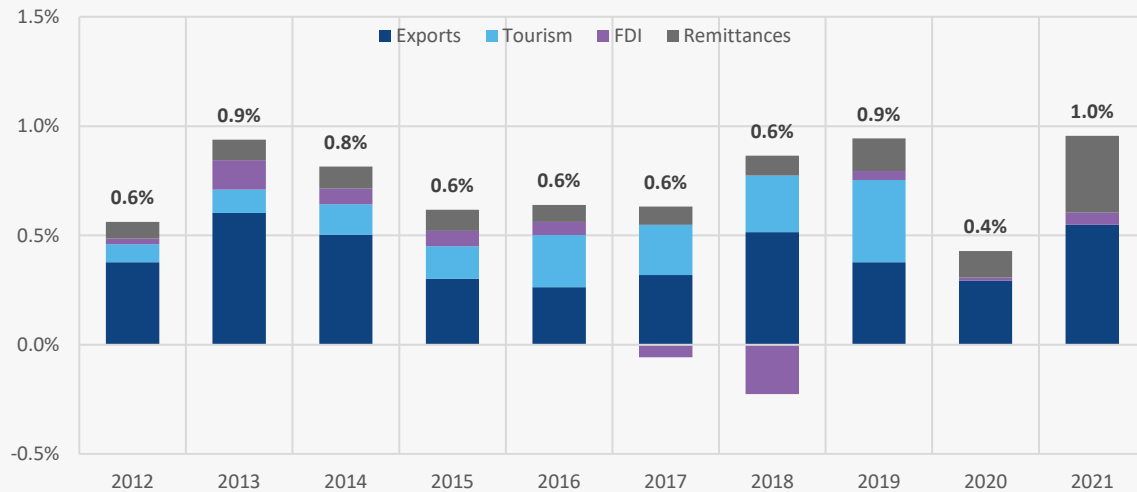
FX flows from Kazakhstan to Georgia (USD mln)



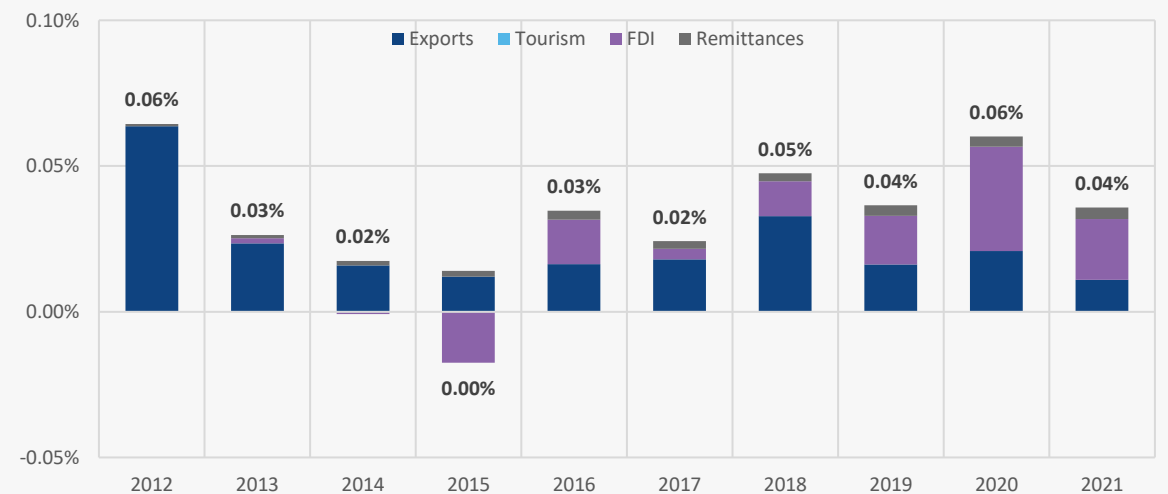
FX flows from Georgia to Kazakhstan (USD mln)



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



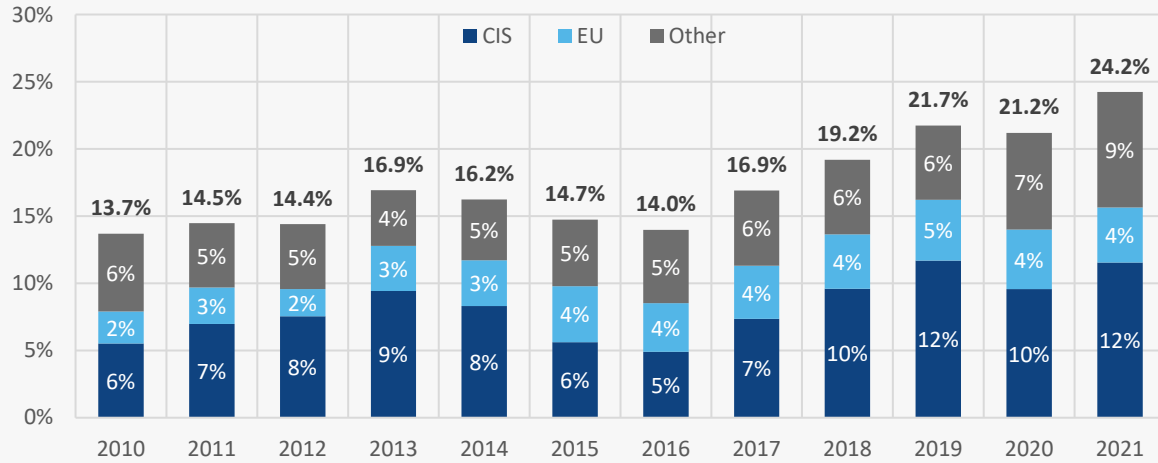
Inflows from Georgia to Kazakhstan (% of Kazakhstan's GDP)



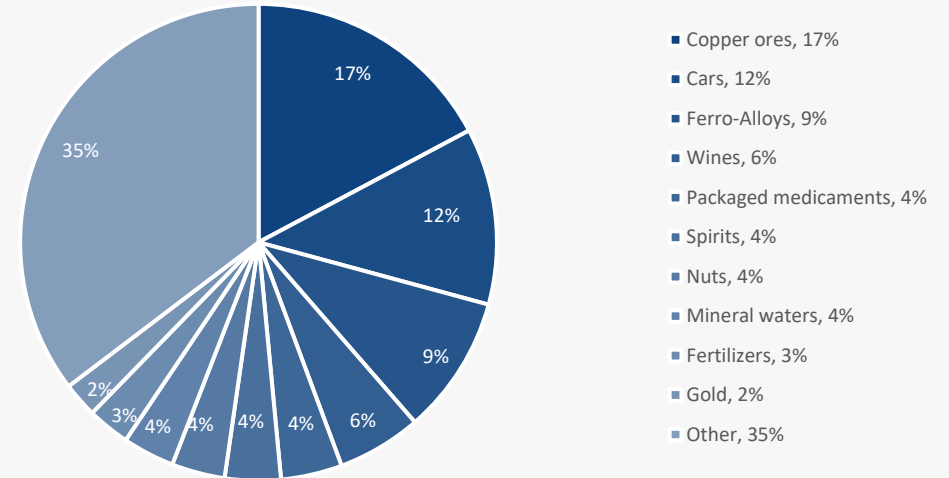
Trade in Goods

- Georgia's export of goods directed towards Central Asia amounted to 6% of the total exports in 2021 with 41% of the Central Asia exports going towards Kazakhstan
- While Kazakhstan was the biggest export partner of Georgia in Central Asia in 2021, for the 2015-2021 period share of exports in Uzbekistan is larger (40%) than Kazakhstan (31%)
- Georgia's re-export of optical equipment to Central Asia grew notably from 2020, however the product is absent from the list of top re-exported items to Kazakhstan
- In 2020, Kazakhstan's export structure to Georgia somewhat altered as the country exported large volume of Aluminum for the first time in years, while food & beverage exports were limited compared to the past period
- The largest product group for Georgia-to-Kazakhstan exports is Food & Beverages, with Mineral Waters constituting more than 75% of the total Kazakhstan Mineral Water imports.

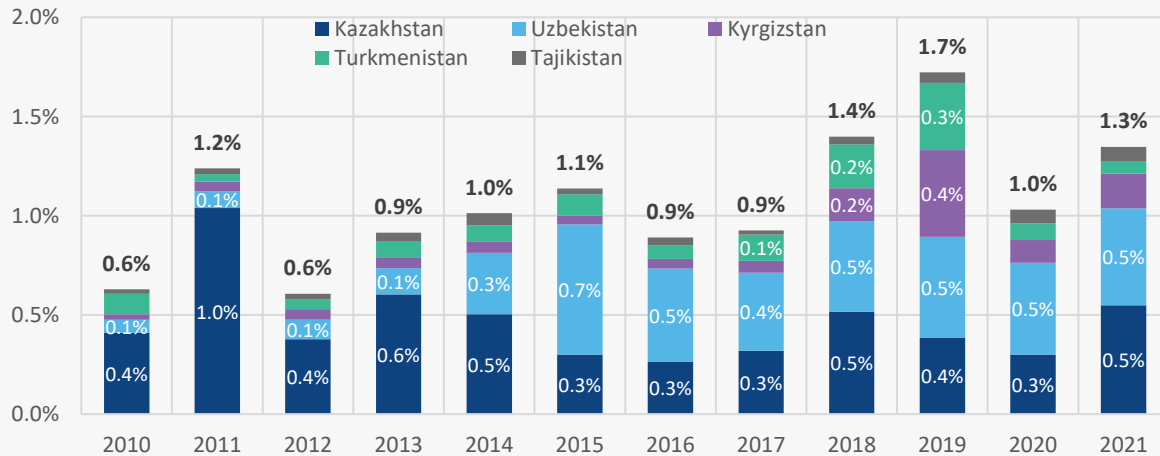
Georgia's exports of goods (% of GDP)



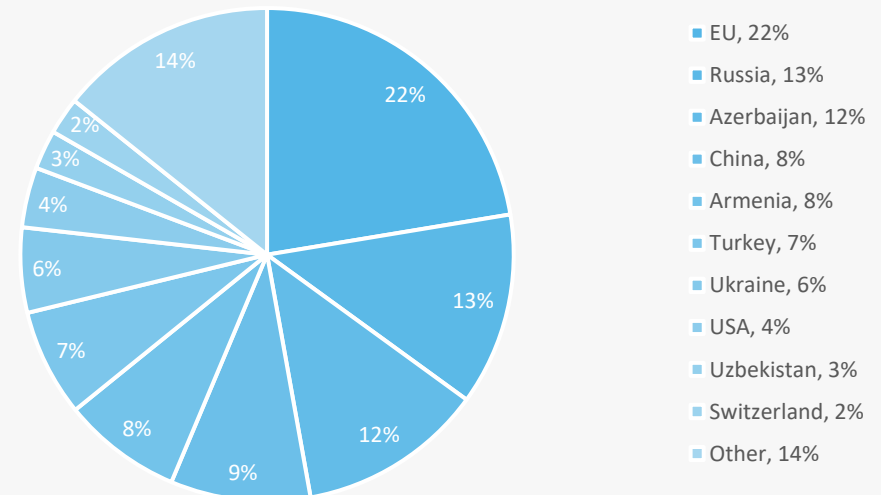
Structure of Georgia's exports by goods (2015-2021)



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



Structure of Georgia's exports by countries (2015-2021)



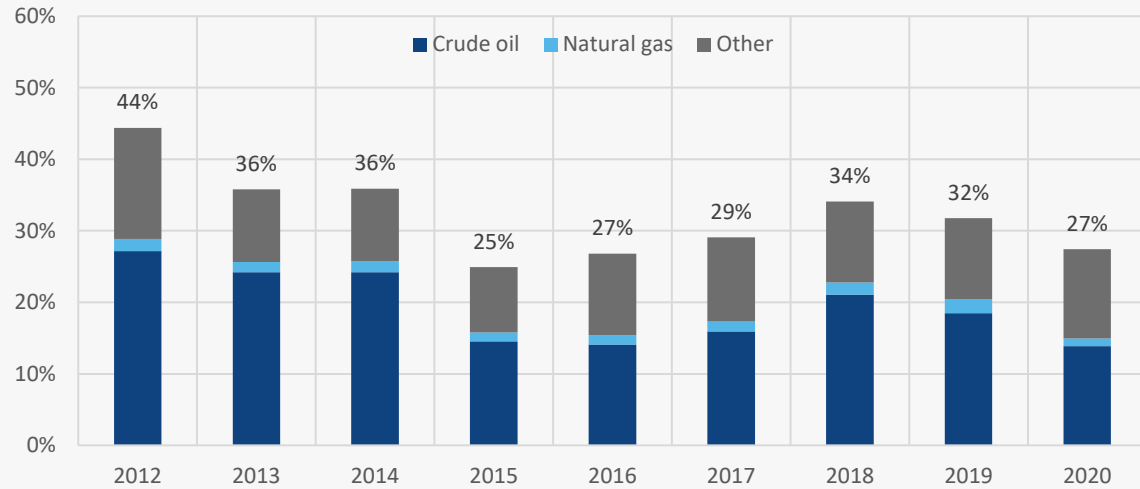
Georgia's re-exports to Central Asia (2015-2021; USD)

Product	Trade volume	Share in total
Pharmaceutical products	472,877,985	50%
Vehicles	180,987,986	19%
Tobacco	76,683,025	8%
Meat	32,925,673	3%
Nuclear reactors	29,134,236	3%
Iron or steel	22,630,561	2%
Beverages, spirits and vinegar	20,508,896	2%
Optical equipment	20,199,369	2%
Furniture	18,121,666	2%
Electrical machinery	16,681,150	2%
Other	56,254,426	6%

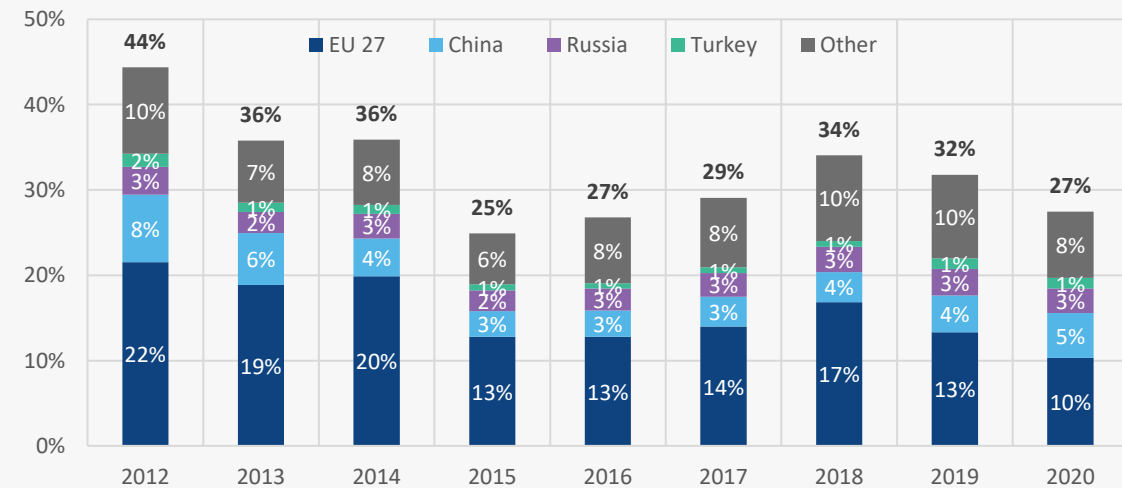
Georgia's re-exports to Kazakhstan (2015-2021; USD)

Product	Trade volume	Share in total
Tobacco	56,214,856	33%
Vehicles	45,840,109	27%
Meat	21,653,288	13%
Pharmaceutical products	21,575,162	13%
Iron or steel	5,049,818	3%
Nuclear reactors	3,287,003	2%
Preparations of vegetables, fruit or nuts	3,272,183	2%
Beverages, spirits and vinegar	3,270,097	2%
Electrical machinery	2,536,198	1%
Dairy produce, eggs, honey	1,258,360	1%
Other	5,630,689	3%

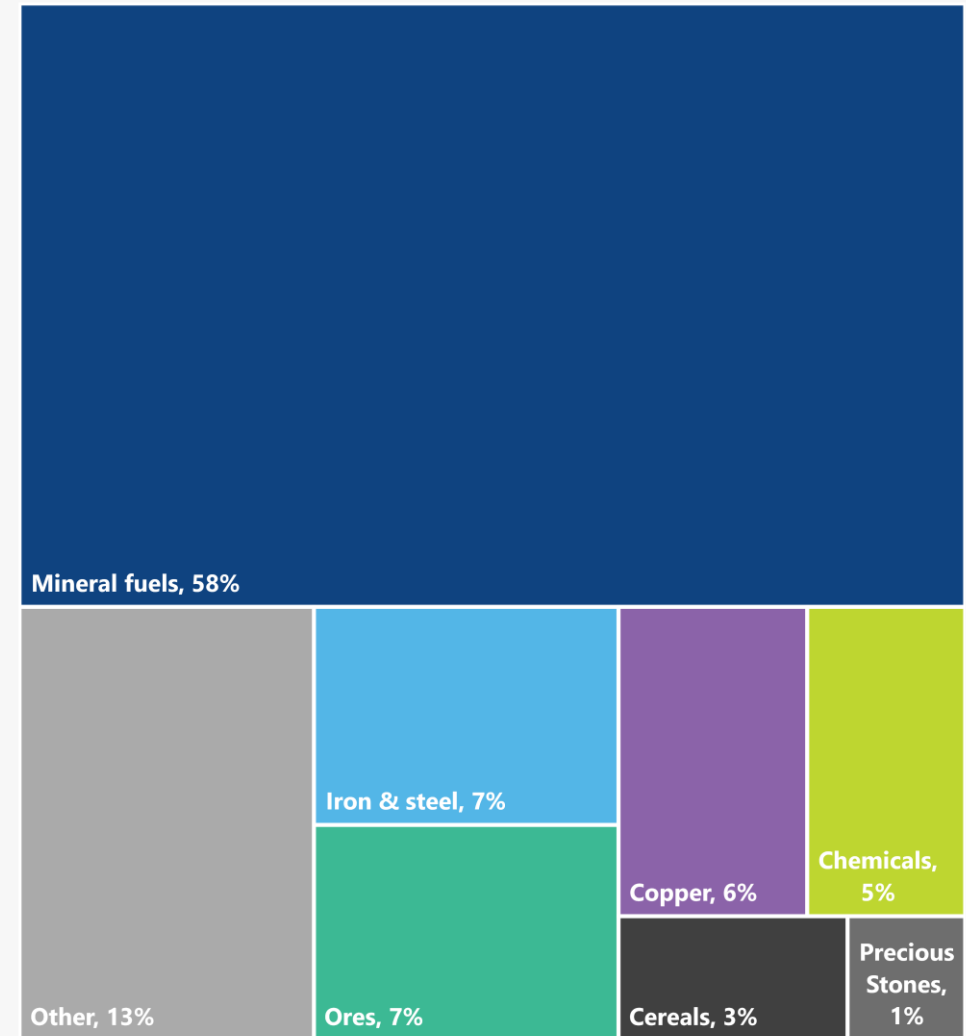
Kazakhstan's export of goods (% of GDP)



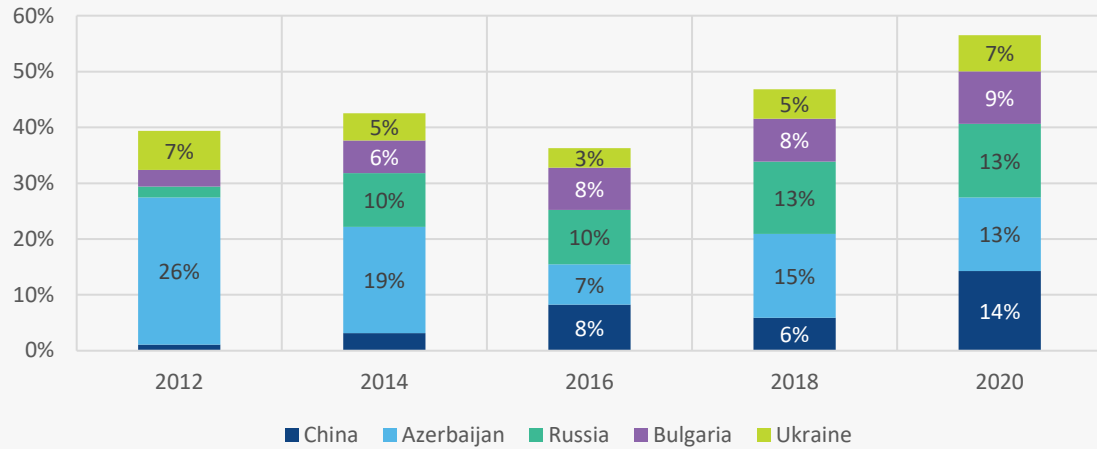
KZT export of goods by countries (% of GDP)



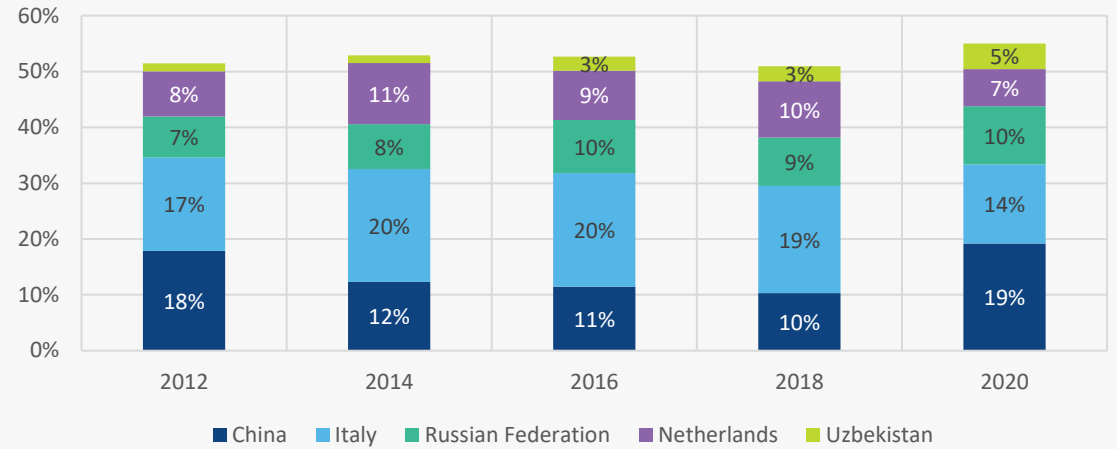
Kazakhstan's export structure – 2020



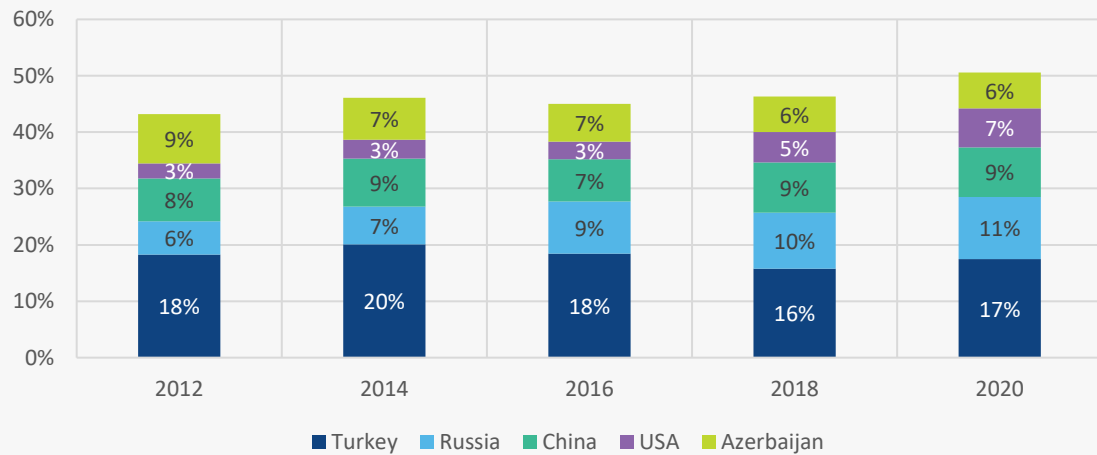
Georgia's top export partners share in total exports



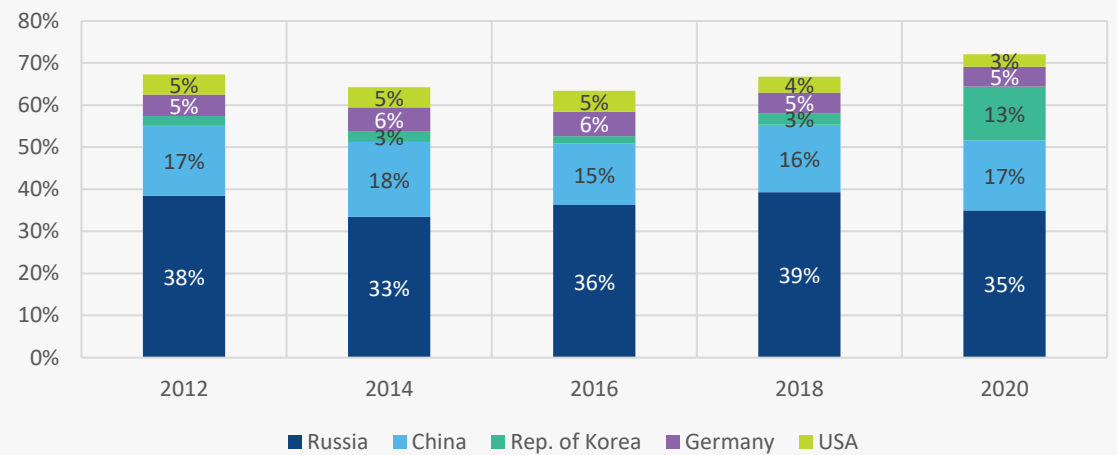
Kazakhstan's top export partners share in total exports



Georgia's top import partners share in total imports



Kazakhstan's top import partners share in total imports



Top traded detailed products between Kazakhstan and Georgia

Georgia's exports to Kazakhstan (2015-2021; USD)

Product	Trade volume	Trade value	Share in total
Mineral waters	105,607,532 (Lit)	75,761,931	17%
Bottled wine	19,307,548 (Lit)	64,232,158	15%
Cigarettes	7,006,602 (Kg)	48,199,369	11%
Light vehicles	4,071 (Units)	42,274,335	10%
Packaged medicaments	346,573 (Kg)	28,648,123	7%
Poultry products	21,515,688 (Kg)	19,992,445	5%
Electric Furnaces	1,251,775 (Kg)	15,075,507	3%
Grape wine spirits	3,321,911 (Lit)	14,590,232	3%
Railway wagons	379 (Units)	14,282,388	3%
Waters with added sugar	20,123,398 (Lit)	11,666,785	3%
Other		94,206,387	24%

Kazakhstan's exports to Georgia (2015-2021; USD)

Product	Trade volume	Trade value	Share in total
Petroleum	265,907,671 (Kg)	74,422,797	28%
Aluminum	28,394,740 (Kg)	47,336,616	18%
Wheat	146,782,495 (Kg)	30,958,965	12%
Iron	22,461,918 (Kg)	14,206,504	5%
Crude oil	90,219,164 (Kg)	9,915,480	4%
Pasta	10,849,922 (Kg)	5,188,057	2%
Petroleum gases	8,458,873 (Kg)	4,033,056	1%
Structures of iron	1,891,636 (Kg)	4,006,778	1%
Perfumery preparations	438,730 (Kg)	3,876,961	1%
Ferro-alloys	3,733,000 (Kg)	3,573,845	1%
Other		33,522,301	21%

Top “other” traded detailed products between Kazakhstan and Georgia

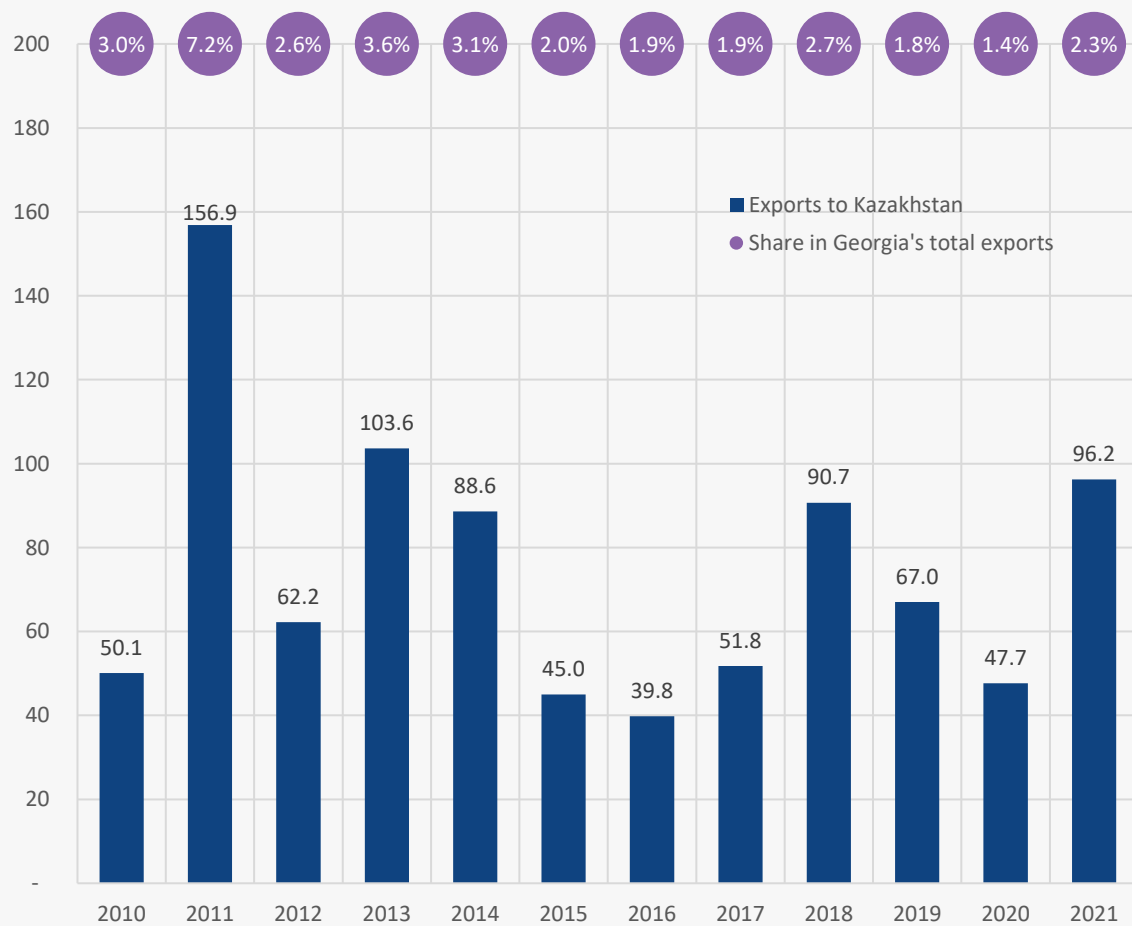
Georgia’s exports to Kazakhstan (2015-2021; USD)

Product	Trade value	Share in total
Centrifuges	9,549,487	2.2%
Tobacco	9,212,066	2.1%
Fish	8,393,101	1.9%
Iron structures	5,001,066	1.1%
Stoves	4,897,277	1.1%
Ferro-alloys	3,585,618	0.8%
Nuts	3,545,229	0.8%
Fruit	3,388,340	0.8%
Vacuum pumps	3,240,951	0.7%
Pipes	2,424,379	0.6%
Electric transformers	2,075,858	0.5%

Kazakhstan’s exports to Georgia (2015-2021; USD)

Product	Trade value	Share in total
Fertilizers, nitrogenous	3,122,958	1.2%
Combined Fertilizers	3,110,478	1.2%
Onions	2,895,154	1.1%
Fish	2,770,082	1.0%
Tugs	2,660,000	1.0%
Sauces	2,505,968	0.9%
Coke	2,393,408	0.9%
Cigars	1,974,122	0.7%
Electric accumulators	1,782,279	0.7%
Plastic articles	1,676,937	0.6%
Railway trucks	1,543,582	0.6%

Georgia's exports to Kazakhstan (mln USD)

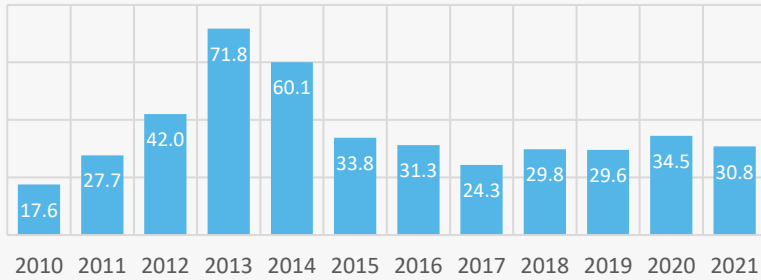


Georgia's exports to Kazakhstan by products (USD '000)

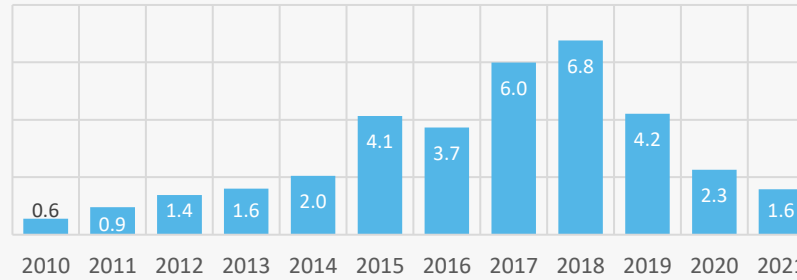
	2020	2021	Share in 2021	YoY, 1000 USD	YoY, %
Food and beverages	34,462	30,781	32.0%	(3,646)	-10.6%
Passenger and other cars	3,989	23,726	24.7%	19,736	494.8%
Railway or tramway locomotives	2,461	197	0.2%	(2,265)	-92.0%
Medicaments	2,260	1,582	1.6%	(678)	-30.0%
Machinery and electronics	1,614	33,671	35.0%	32,057	1986.4%
Textiles & apparel	958	405	0.4%	(553)	-57.7%
Ferro-alloys	853	4,119	4.3%	3,266	382.8%
Cigarettes	308	414	0.4%	106	34.6%
Electrical & optical devices	158	66	0.1%	(92)	-58.4%
Furniture	6	51	0.1%	45	813.4%
Other	590	1,185	1.2%	596	101.1%
Total Exports	47,659	96,196		48,573	102.0%

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

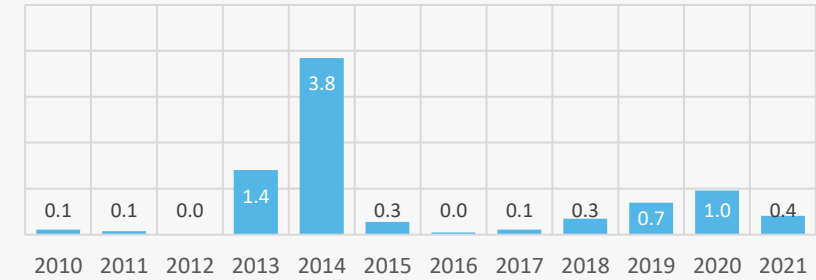
Food and beverages



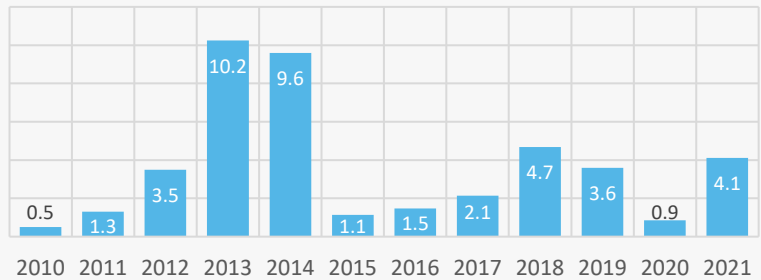
Medicaments



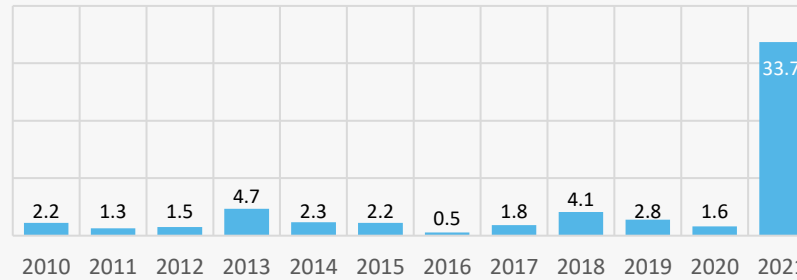
Textile, apparel and other clothing



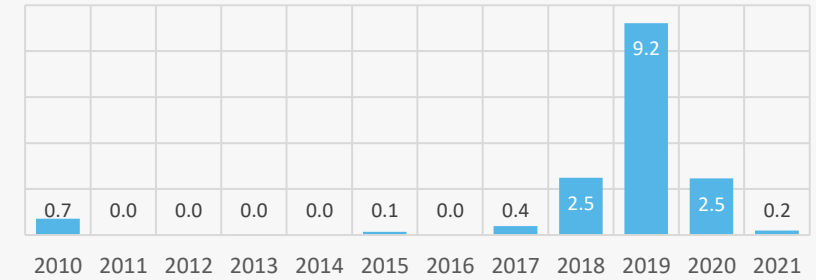
Ferro-Alloys and other metal produce



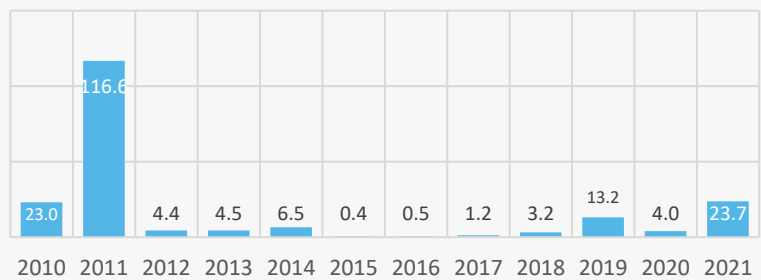
Machinery and electronics*



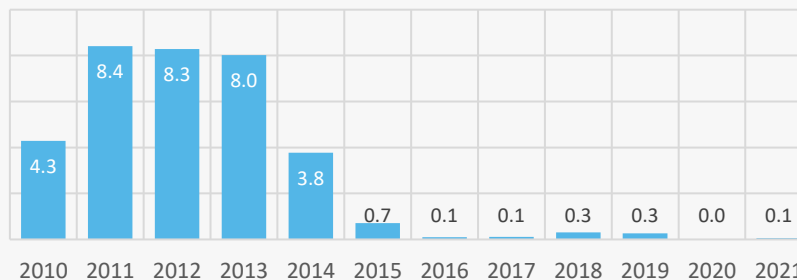
Railway or tram locomotives, containers



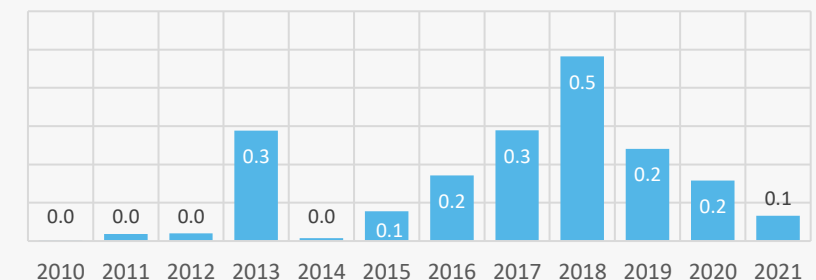
Passenger cars, heavy trucks, tractors



Furniture

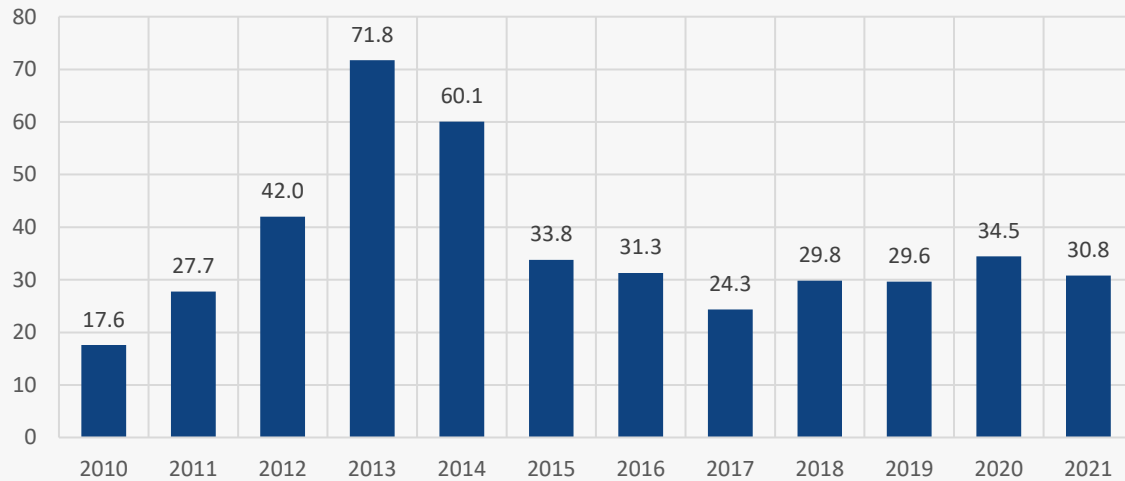


Electrical and optical devices

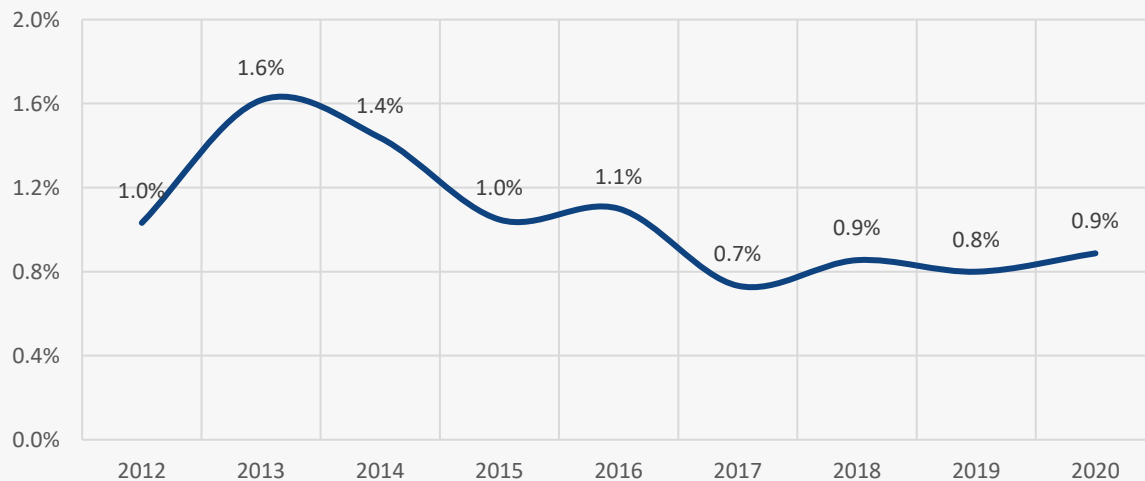


Source: NBG, UN Comtrade, *Includes electric furnaces, centrifuges, electric transformers, etc.

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



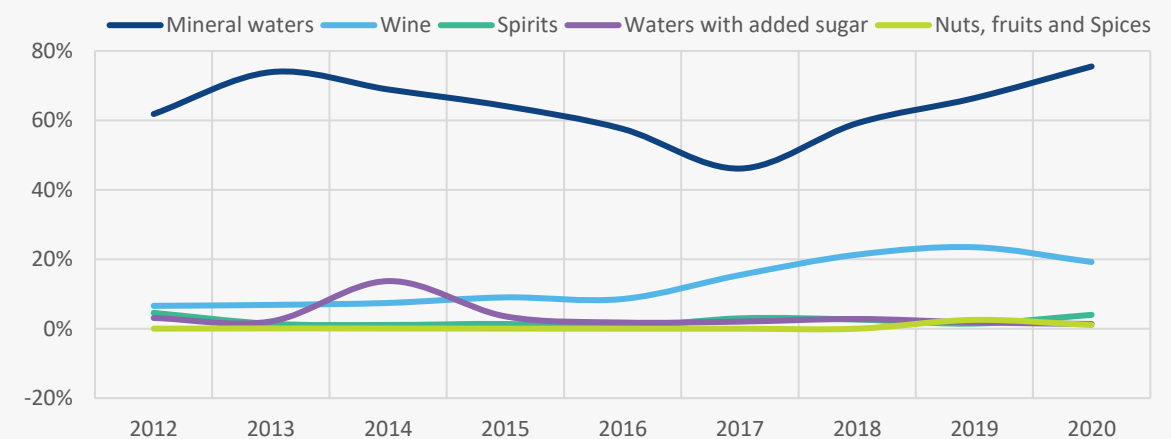
Share of GEO exports in KAZ food & beverages imports



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

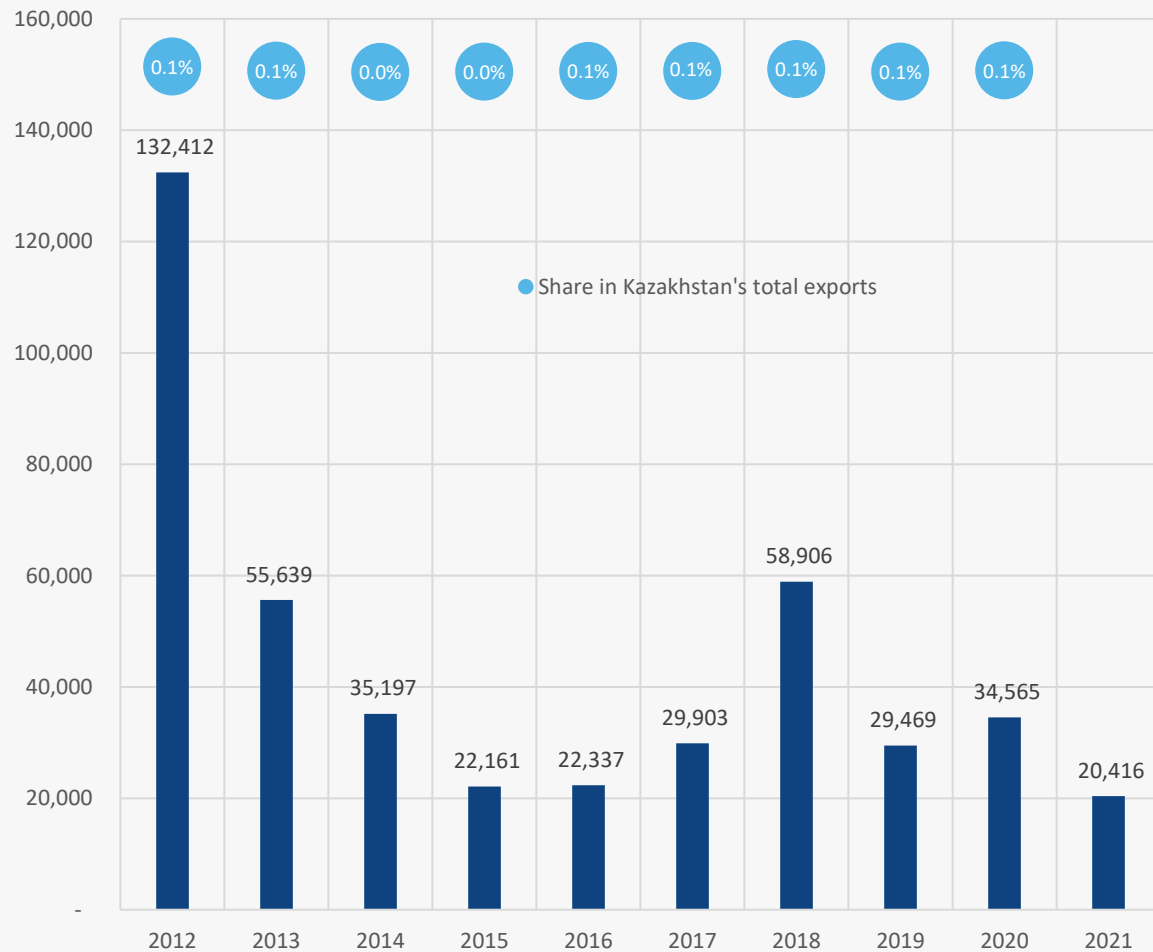
	2020	2021	Share in 2021	YoY, USD '000	YoY, %
Mineral waters	16,301	12,657	41.1%	(3,644)	-22.4%
Wine	6,908	9,624	31.3%	2,716	39.3%
Poultry	4,364	862	2.8%	(3,502)	-80.2%
Spirits	3,338	1,937	6.3%	(1,401)	-42.0%
Waters with added sugar	1,485	3,106	10.1%	1,621	109.2%
Nuts, fruits and Spices	877	929	3.0%	52	5.9%
Other*	1,189	1,666	5.4%	477	40.2%
Total	34,462	30,781		(3,681)	-10.7%

Share of GEO exports in KAZ food & beverages imports



Source: NBS, UN Comtrade, *Includes spices, frozen fish, tea, etc.

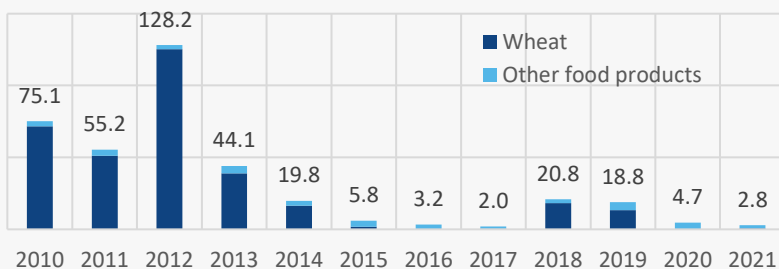
Kazakhstan's exports to Georgia (USD '000)



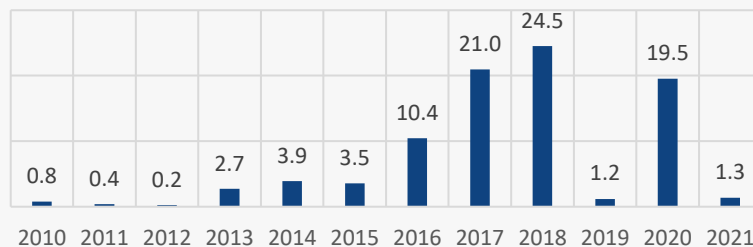
Kazakhstan's exports to Georgia by products (USD '000)

	2020	2021	Share in 2021	YoY, 1000 USD	%, YoY
Petroleum	19,545	1,334	6.5%	(18,211)	-93.2%
Food products	4,675	2,761	13.5%	(1,914)	-40.9%
Ferro-Alloys	3,665	3,756	18.4%	91	2.5%
Natural Gas	1,545	1,128	5.5%	(417)	-27.0%
Machinery and electronics	1,321	1,827	8.9%	506	38.3%
Plastic articles	703	1,716	8.4%	1,013	144.1%
Coal	464	772	3.8%	308	66.4%
Textile & apparel	339	102	0.5%	(234)	-69.0%
Fertilizers	130	783	3.8%	653	502.3%
Glass production	110	85	0.4%	(25)	-22.4%
Furniture	70	82	0.4%	12	17.4%
Other	1,999	6,067	29.7%	4,068	203.5%
Total	34,566	20,416		5,097	-40.9%

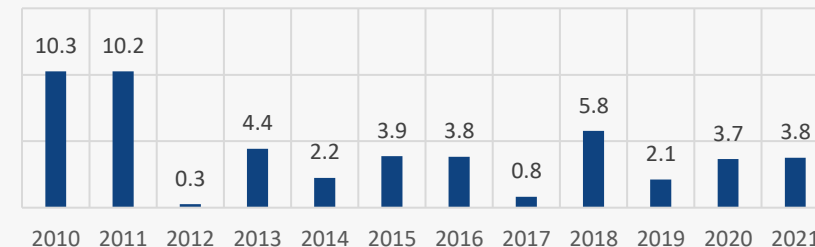
Food products



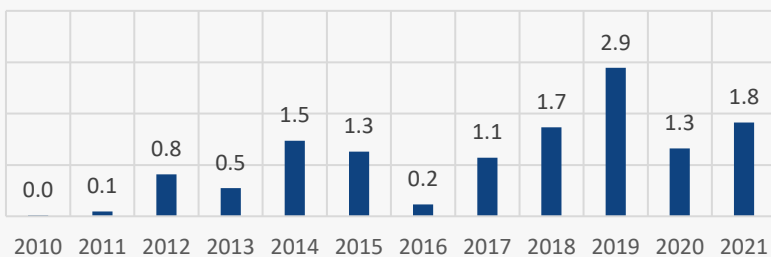
Petroleum products



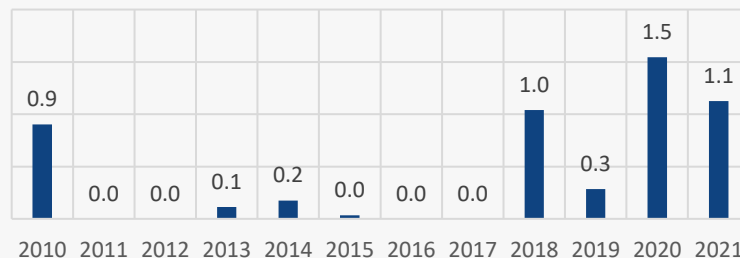
Ferro-Alloys and other metal produce



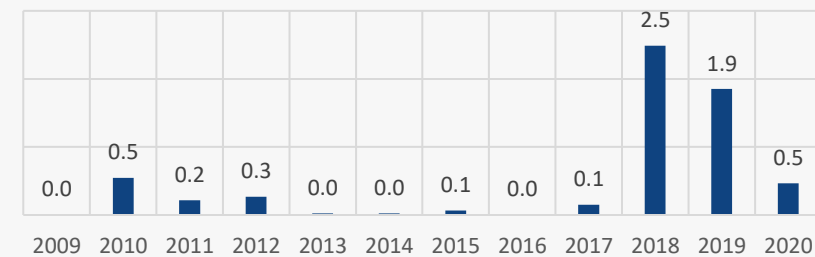
Machinery and electronics



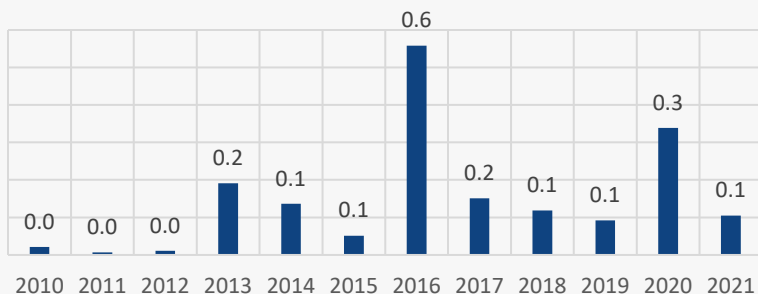
Natural Gas



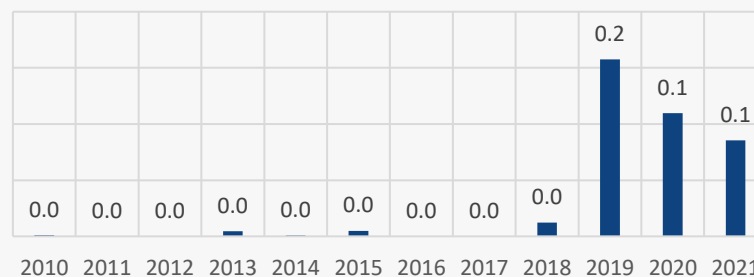
Coal



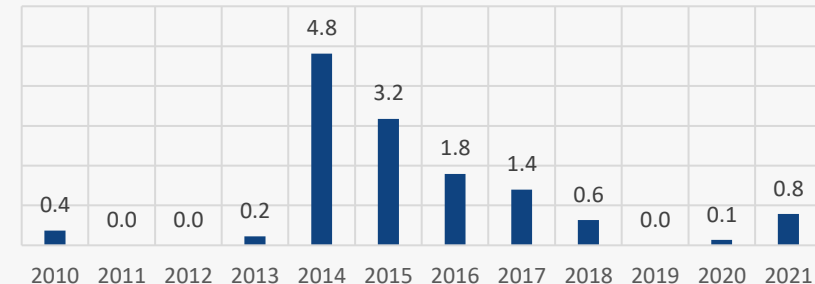
Textile, apparel and other accessories



Glass products



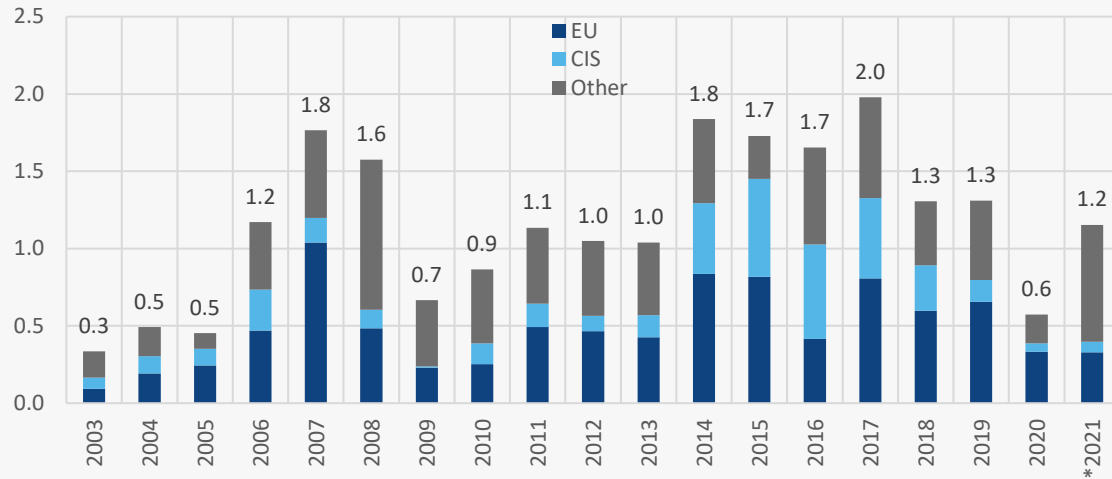
Fertilizers



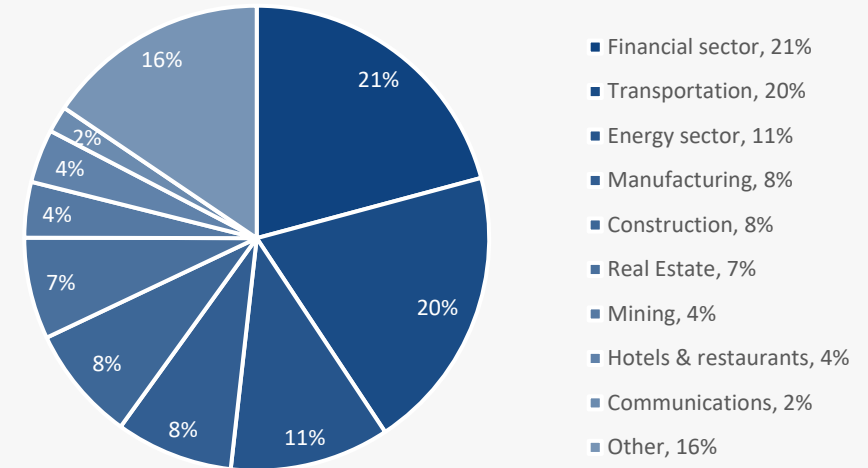
FDI

- In 2021, Kazakhstan's net FDI inflows have relatively reduced compared to the previous years, however it still stands in the top 20 countries with the highest registered FDI inflows in Georgia in the 2005-2021 period
- With net FDI inflows significantly reduced from Kyrgyzstan in 2021, Kazakhstan FDI constitutes 94% of the FDI inflows in Georgia from Central Asia for the 2005-2021 period
- The largest recipient sectors of Kazakhstan's FDI inflows in Georgia in 2021 remain construction, transportation, real estate and financial sector, with transportation and financial sector amounting to more than 50% of the total Kazakhstan investments in 2021
- FDI Inflows seem to have halted in 2021, as the net FDI inflow from Georgia is close to zero

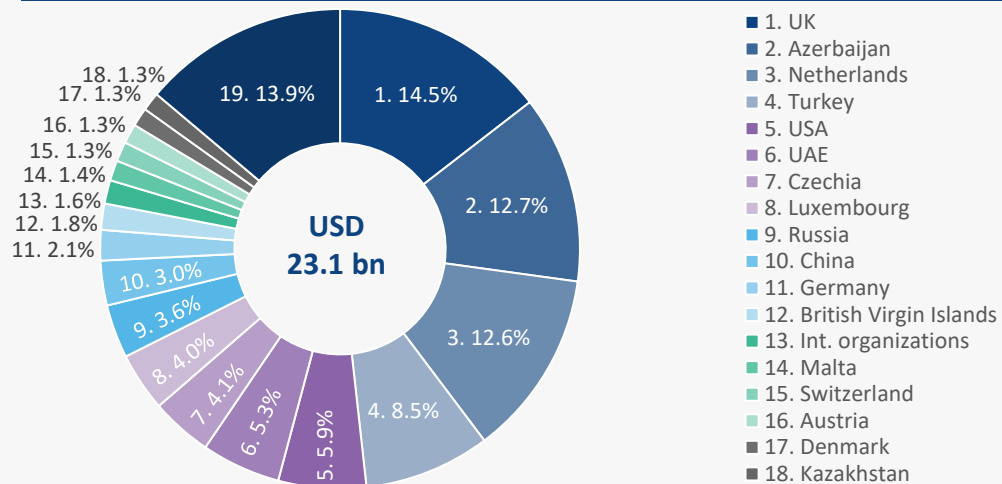
FDI inflows in Georgia (USD bn)



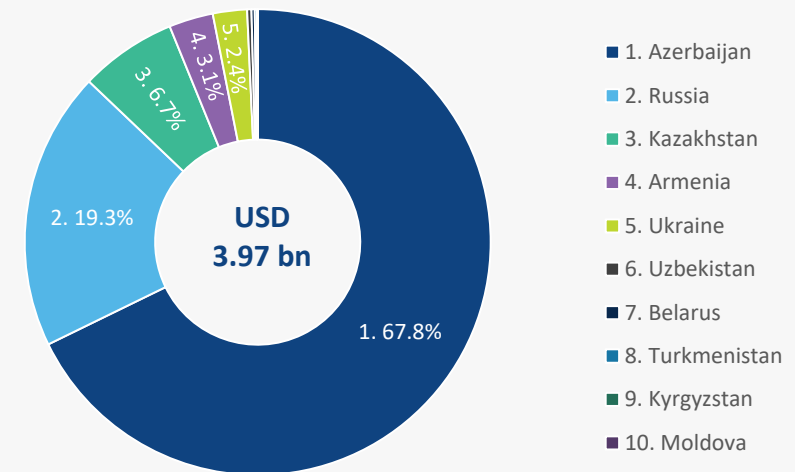
Sectoral breakdown of FDI in Georgia (2015-2021*)



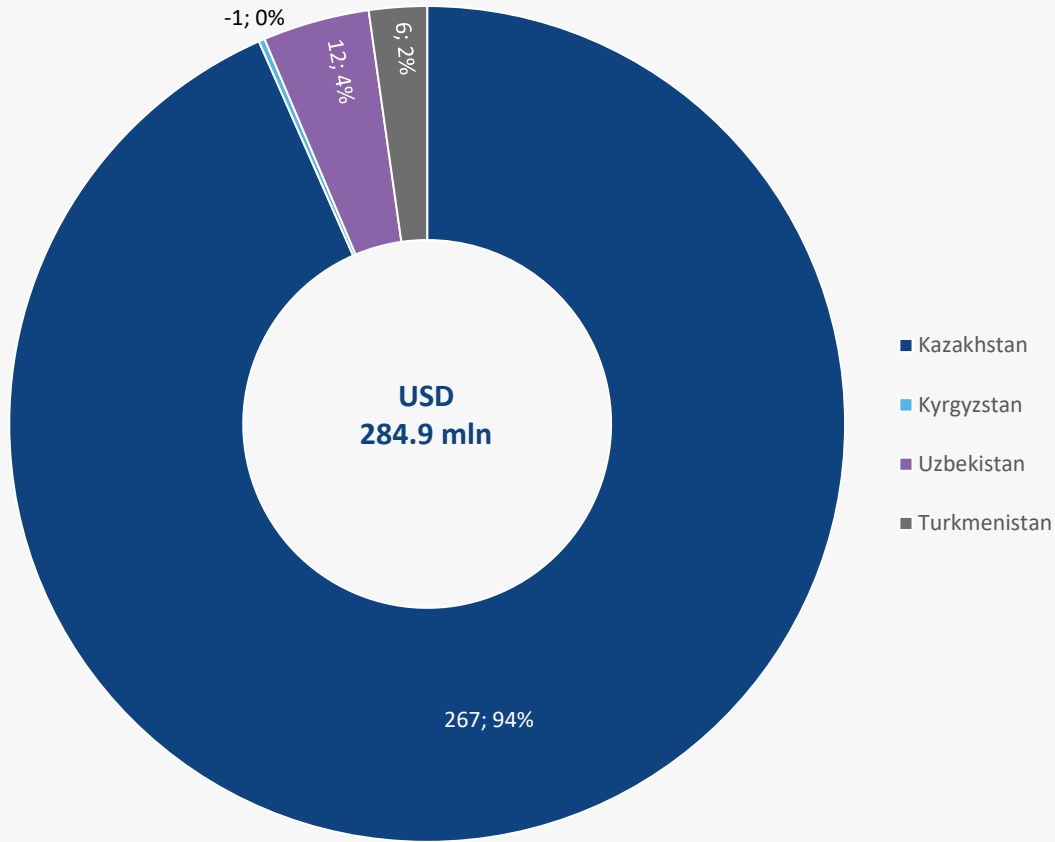
FDI inflows in Georgia (2005-2021*)



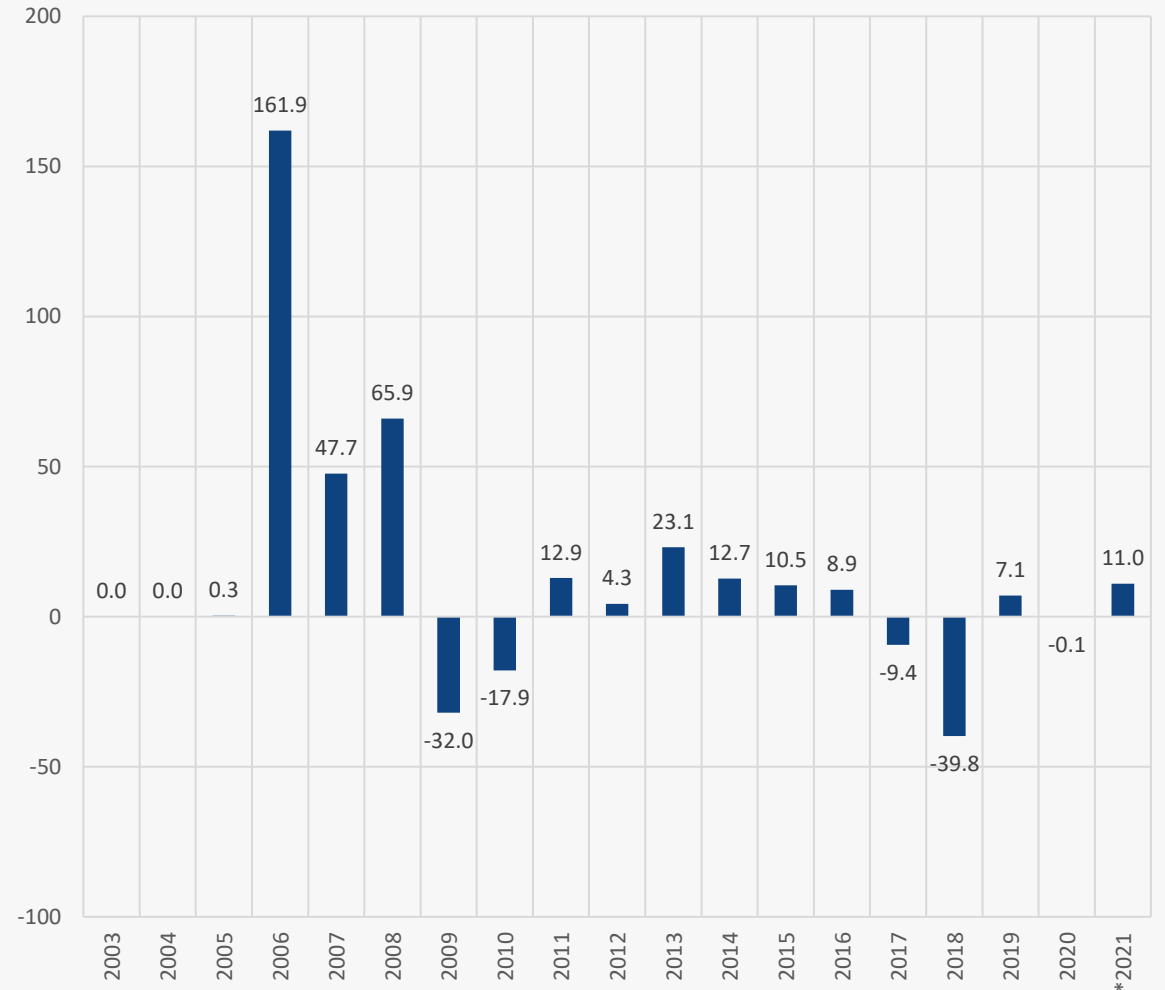
FDI inflows in Georgia from the CIS (2005-2021*)



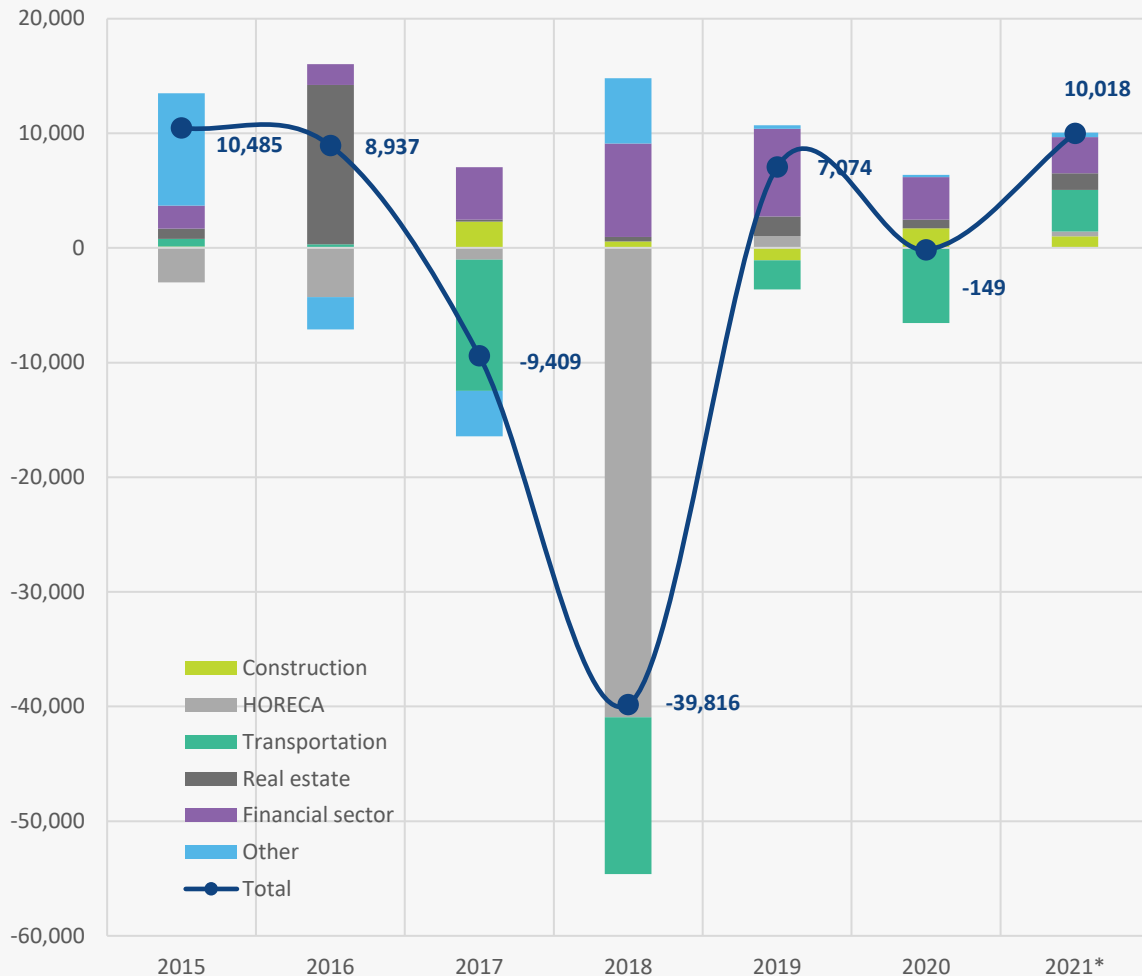
FDI inflows in Georgia from Central Asia** (2005-2021*)



Kazakhstan FDI inflows in Georgia (USD '000)



FDI inflows breakdown by sectors (USD '000)

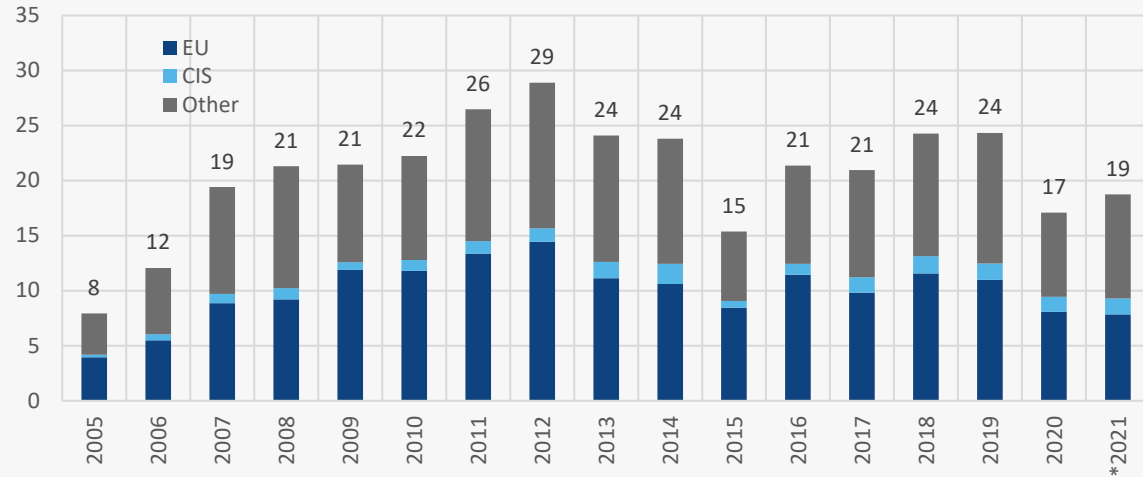


Top 10 FDI recipients and investors**

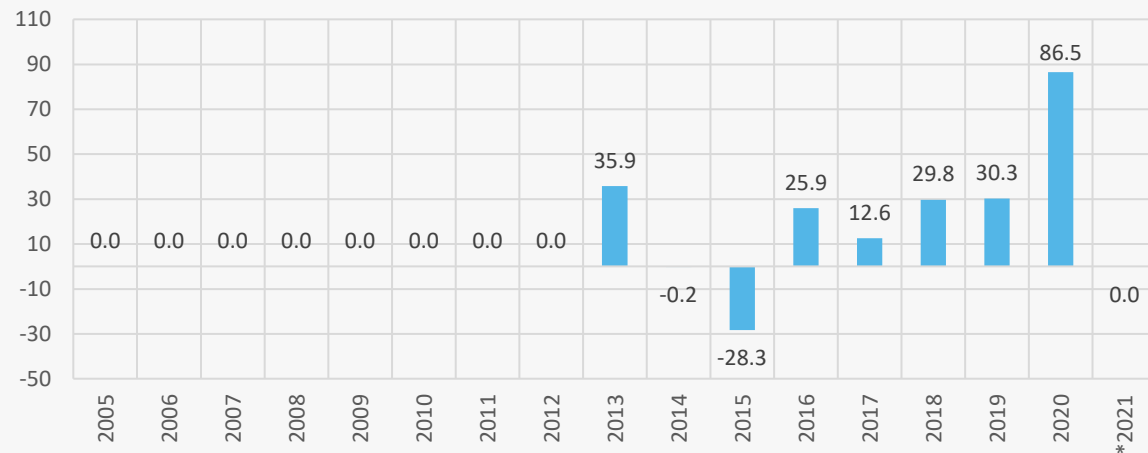
	FDI recipient	Investor
Top 10 in 2021*	American MonoliT	Individuals
	Batumi Oil Terminal	KazTransOil
	KPMG Georgia	Individuals
	Barmaglot Tbilisi	Barmaglot Tbilisi
	Iceberg Poti	Individuals
	Kostava Business Center	Individuals
	LTD Ipocenter	Individual
	Shovi Resort	Individual
	G and G +	Individual
	Forgegate properties Georgia	Individuals
Top 10 in 2020	Amadeus GDS Georgia	Amadeus GDS
	Medical Technology	Individuals
	KPMG Georgia	Individuals
	Air Astana Geo Rep Office	Individual
	Kostava Business Center	Air Astana
	LTD Ipocenter	Individuals
	Exim Oil	Individual
	G and G +	Individual
	RT Company	Individual
	Global Marketing Georgia	Individuals

Source: GeoStat, NBG, TBC Capital; *2021Q3 FDI Inflows **not listed by investment size

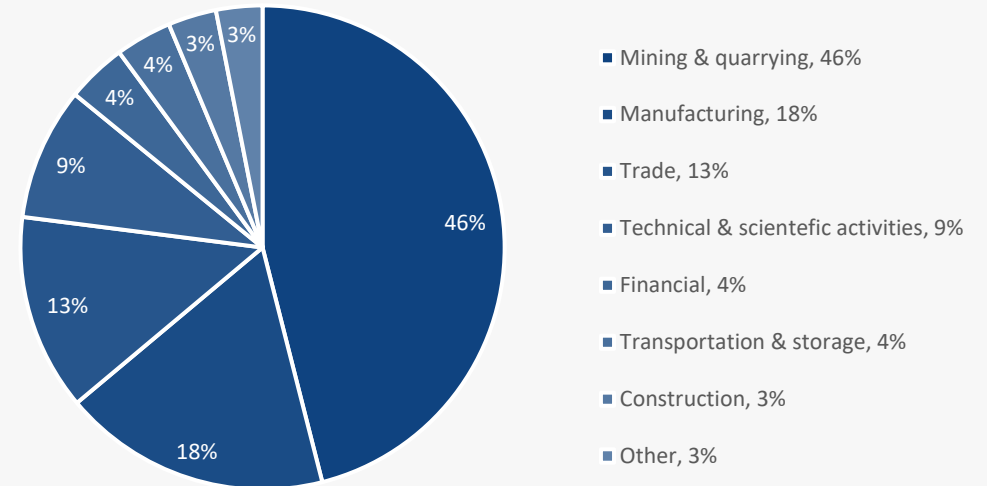
FDI inflows in Kazakhstan (USD bn)



Georgian FDI inflows in Kazakhstan (USD mln)



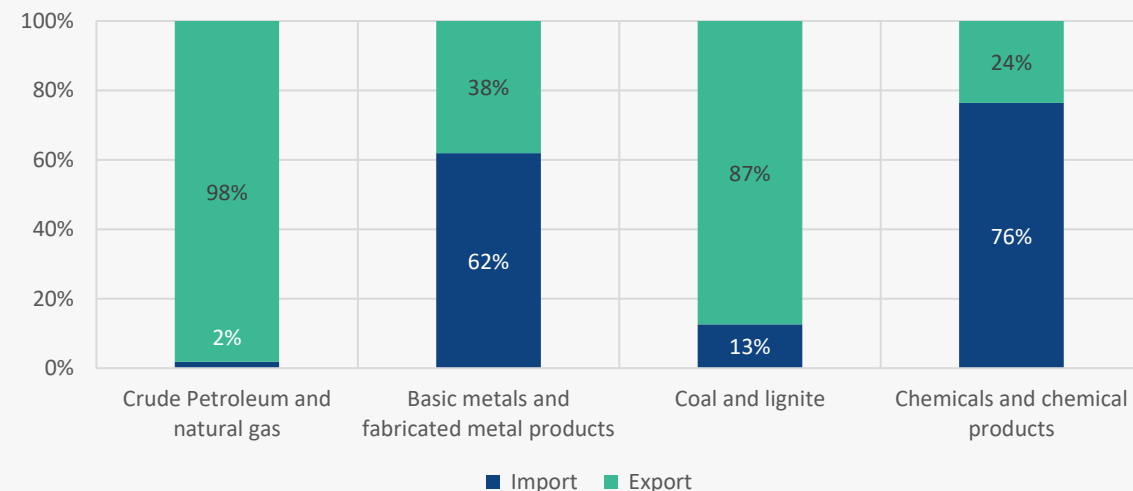
Sectoral breakdown of FDI in Kazakhstan (2015-2021*)



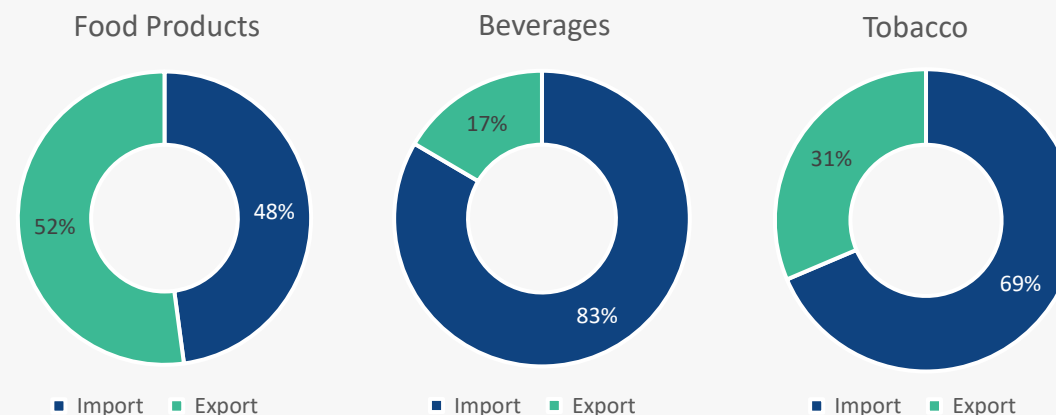
FDI inflows in Kazakhstan by main products (USD mln)

	2017	2018	2019	2020	2021*	Total
Crude petroleum and natural gas	4,114.6	4,021.4	5,083.4	1,675.8	648.3	15,543.5
<i>Share in total</i>	<i>88.1%</i>	<i>110.8%</i>	<i>155.4%</i>	<i>43.1%</i>	<i>14.9%</i>	<i>78.5%</i>
Basic metals and fabricated metal products	-128.2	-582.9	598.3	120.7	1,032.1	1,040.0
<i>Share in total</i>	<i>-2.7%</i>	<i>-16.1%</i>	<i>18.3%</i>	<i>3.1%</i>	<i>23.8%</i>	<i>5.3%</i>
Coal and lignite	-95.9	286.6	183.9	44.2	33.3	452.1
<i>Share in total</i>	<i>-2.1%</i>	<i>7.9%</i>	<i>5.6%</i>	<i>1.1%</i>	<i>0.8%</i>	<i>2.3%</i>
Chemicals and chemical products	89.6	131.9	88.7	45.6	71.7	427.4
<i>Share in total</i>	<i>1.9%</i>	<i>3.6%</i>	<i>2.7%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>2.2%</i>
Food, beverage and tobacco products	75.8	48.1	58.1	162.9	62.6	407.5
<i>Share in total</i>	<i>1.6%</i>	<i>1.3%</i>	<i>1.8%</i>	<i>4.2%</i>	<i>1.4%</i>	<i>2.1%</i>

Trade of main FDI recipient sector products in Kazakhstan in 2017-2020



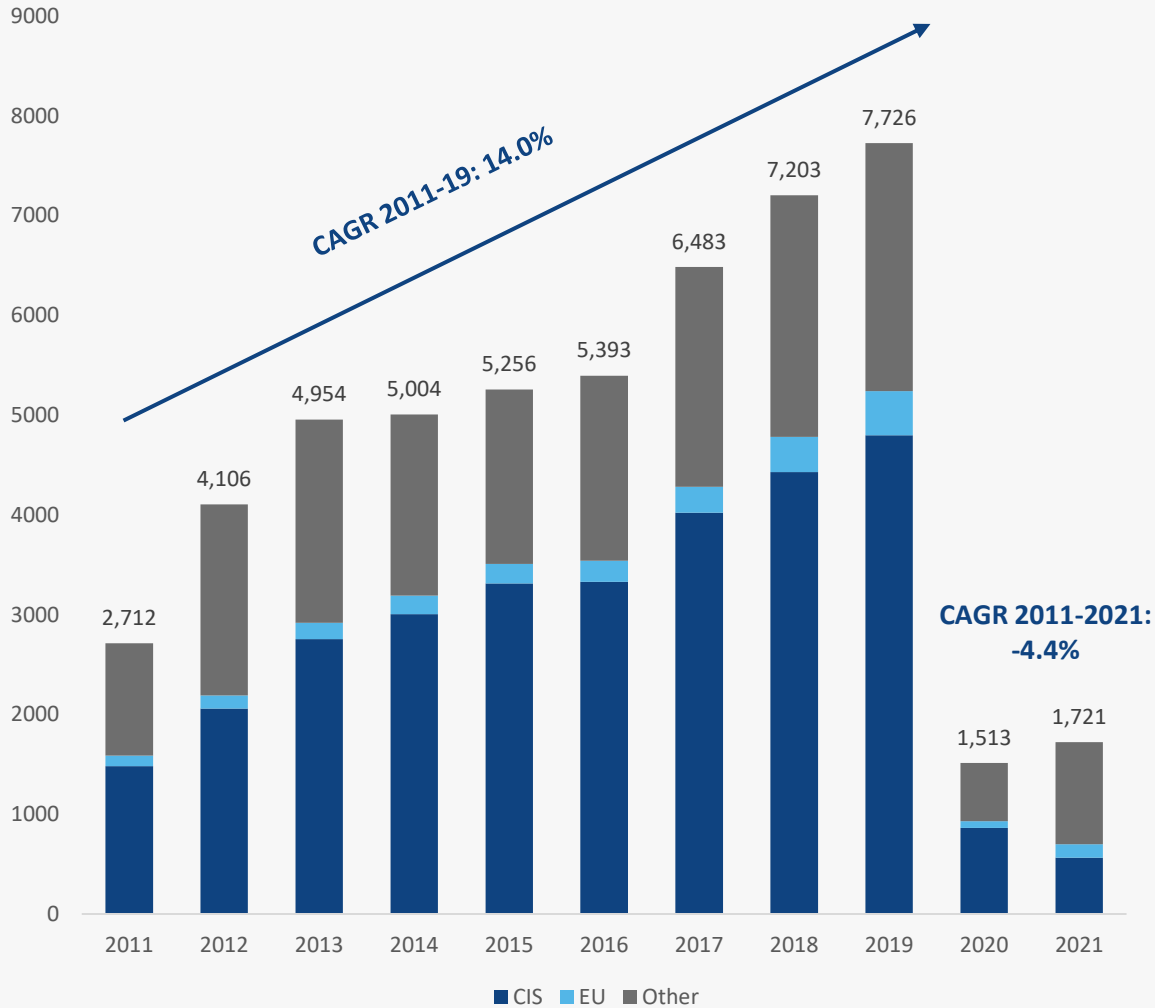
Trade of main FDI products in Kazakhstan in 2017-2020



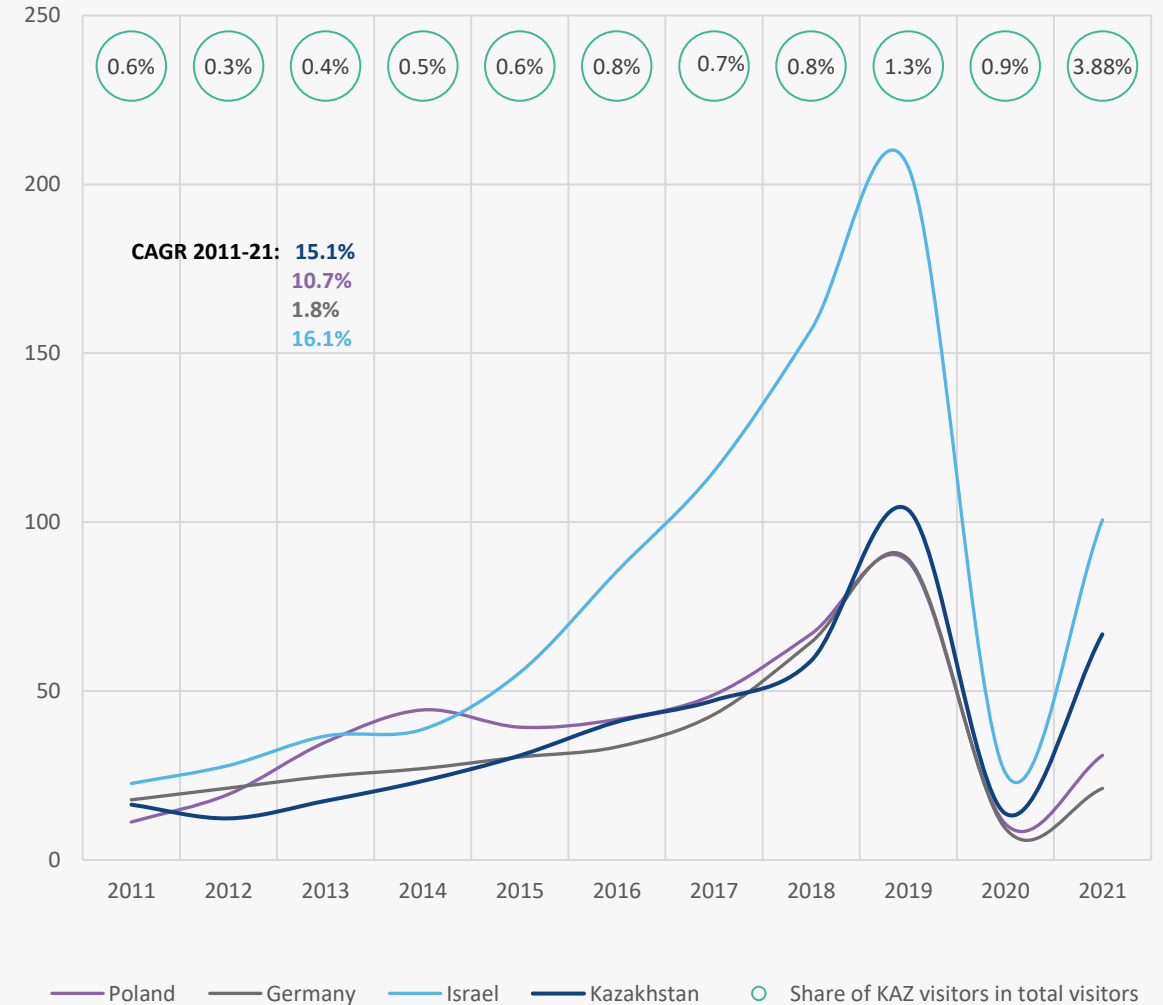
Tourism

- Due to the COVID-19 pandemic, tourism sector growth in 2020-2021 years has been significantly low compared to the previous years, with the number of incoming visitors in Georgia showing negative, -4% CAGR growth for the 2011-2021 period, when the same indicator for 2011-2019 years was 14%
- Despite the overall trend, number of visitors from Kazakhstan in Georgia has grown compared to the other countries, with share of Kazakh tourists in total visitors increasing up to 3.9% in 2021 from 0.9% in 2020
- Total Kazakhstan outbound tourism in 2020 also decreased significantly, showing negative growth of 73% compared to the year 2019

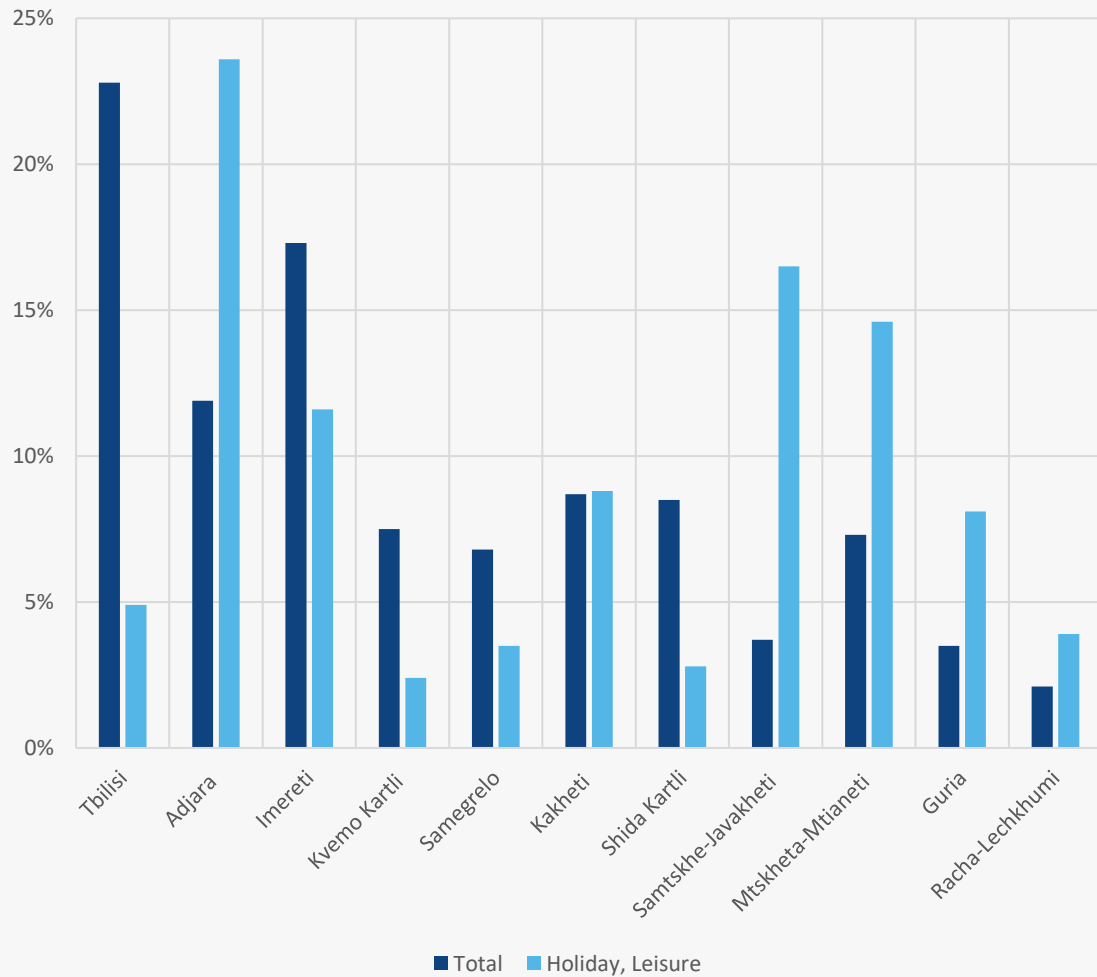
Number of incoming visitors in Georgia (1,000 persons)



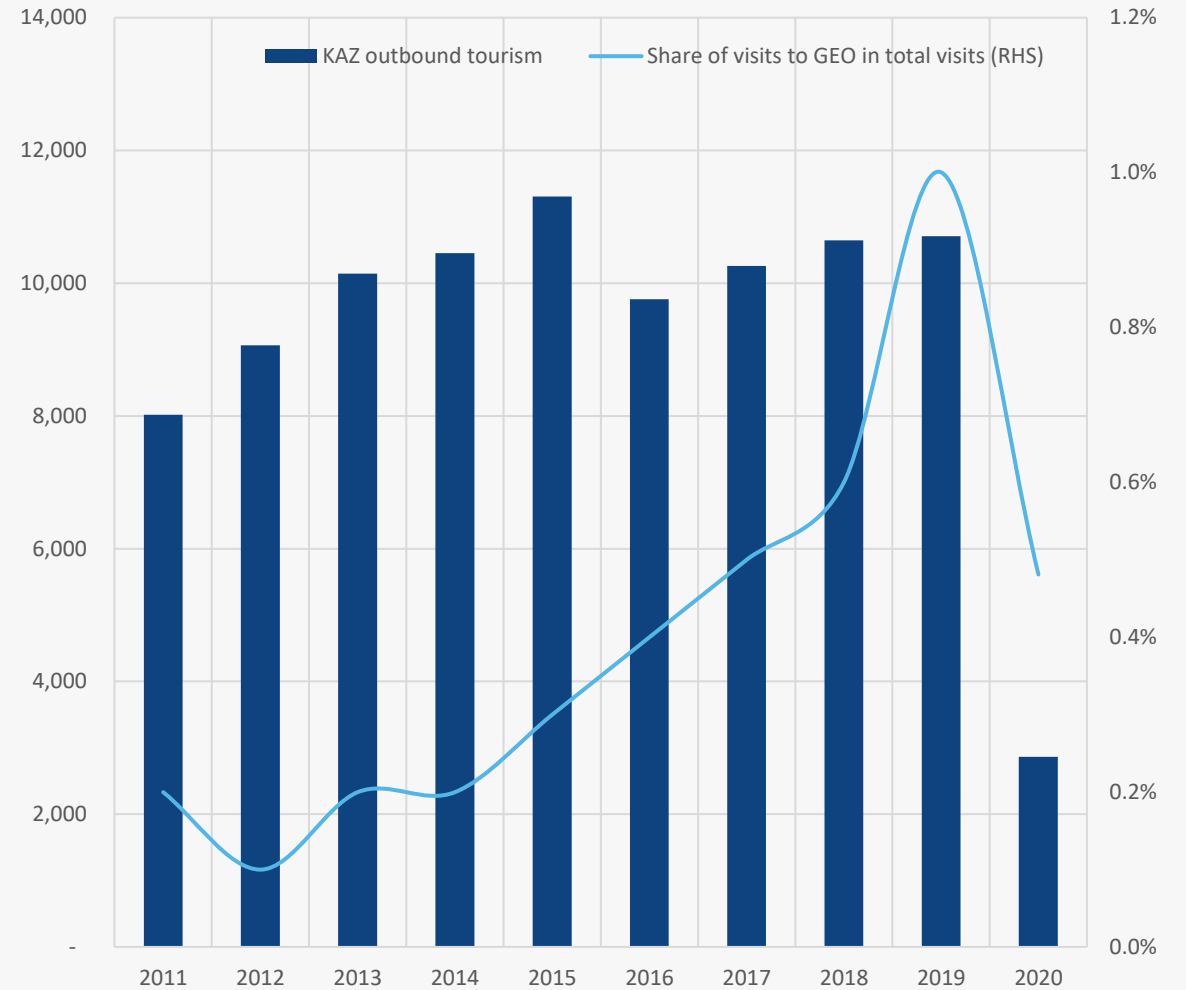
Number of incoming visitors to Georgia (1,000 persons)



Regional distribution of incoming visitors to Georgia (2020)



Kazakhstan's outbound tourism (1,000 persons)



Topics of further inquiry

- Potential of expanding imports of food products (not inclusive) from Kazakhstan as a result of the recent regional conflict
- Identifying the increasing opportunities of the Georgian transit corridor amid the existing regional conflict and the corresponding effect on Georgia-Kazakhstan economic relations
- Analyzing inter-regional potential of Georgia and Kazakhstan
- Effective ways of capitalizing the Georgian trade agreements with the Western markets in terms of Georgia-Kazakhstan economic relations
- Identifying and analyzing the Kazakh tourist profile



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