

Economics

TBC bank and challenges caused by COVID-19



FULL STORY ON Page 2

BY NATALIA KOCHIASHVILI

The Georgian government released the report about the measures taken against Covid-19. According to the document, one-fifth of the Georgian population, who are of retirement age, are at high or moderate risk in terms of the new coronavirus pandemic. The report reads that the structural analysis of the population is important in managing the epidemic.

The report states that quite a large number of the Georgian population live with chronic illnesses, such as cardiovascular diseases, chronic respiratory syndromes, cancer, and diabetes, which are considered as high risk factors for the progression of Covid-19.

Georgian Prime Minister Giorgi Gakharia said that the government is planning to conduct a large-scale study with international partners on the coronavirus' effect on different aspects of the country.

According to Gakharia, such studies on the one hand help the country prepare better for a possible second wave of the virus, and, on the other hand, to share successful experience with international partners.

The PM announced at the government meeting that there's not much time to

Georgia reports only one new corona case on 4th of June



PM said that the government has plans to conduct a large-scale study with international partners on the coronavirus' effect on different aspects of the country.

wait, because citizens are in hard times now, since they have lost their income. He spoke of the steps that Georgia has taken to support its citizens and country's economy, such as covering utility fees, including sanitary services, gas and water bills for 3 months for households which consume less than 200 kWh of electricity and 200 cubic meters of natural gas per month; Georgian commercial banks have postponed the payment of loans for 6 months in total; People who lost their jobs because of the coronavirus crisis or are on unpaid leave will receive ₾1,200 over the course of six months; In

addition, based on the plan, people employed in the informal sector or self-employed individuals will receive one-time assistance of ₾300) if they can substantiate claims of job loss – the budget for this is ₾75 million.

Gakharia said that the post-crisis plan will give Georgia an opportunity to be effective and ready to participate in global competition.

He noted that the government will have a first draft of the plan in one month, which will be complete in another one month after discussion with local experts. PM said that based on the plan steps will

be taken this year, but the plan will be oriented mostly for the following year.

At the June 4th sitting, it was also announced that the Government of Georgia will consider one of the issues of the legislative change, the change of the credit-guarantee scheme. The PM stated before the government session that the change envisages assistance to companies that plan to implement new projects, which will be 90% bank loan guarantees, while those companies that have already taken out loans will be supported by a 30% guarantee on existing projects.

The Georgian government is working with experts from the University of Cambridge and the University of London as well as Deloitte analysts and local experts to create a post-crisis economic plan and decide what steps they should take in order to improve the Georgian economy after the coronavirus lockdown.

For that reason PM held a videoconference with world-acclaimed professors Ha-Joon Chang, Christopher Cramer, and Jonathan D. Jones, and discussed how to overcome poverty, support economic growth and increase the competitiveness of the Georgian economy.

The main subject of the meeting was regarding the ways to overcome Georgia's major economic challenges including the current account deficit and the national debt's volume.

It's newsworthy that Georgia confirmed its first case of the virus at the end of February 2020. As of June 4th, 144 people remain infected with COVID-19 in Georgia, while 13 others have passed away.



Georgia is working with experts from Cambridge, University of London, Deloitte on a post-crisis economic plan.

TBC bank and challenges caused by COVID-19



According to TBC's decision, none of the employees will lose their jobs because of the pandemic.

BY NATALIA KOCHIASHVILI
TBC bank, which has been recently named as EBRD's best partner in financing trade in Georgia, has successfully handled challenges caused by COVID-19 pandemic. TBC team members explained the processes of the last 3 months in an online forum held for media representatives on 4th of June.

According to Vakhtang Butskhrikidze, the director general of TBC bank reported, that TBC has continued the process of strengthening digital services which has been started a long time ago, however given the last 3 months penetration of mobile bank raised to 44% whilst the execution of operations through distant services amounted 94%. Bank started issuing digital loans and created the digital card.

What TBC also did besides rescheduling business loans for business by 3 months was issuing free business cards for two

years, canceling internet banking service fee and commission on communal fees. Provided were cards that enable distributors to receive payment by placing cards on a terminal, giving opportunity for avoiding cash and the new online platform tbcpayments.ge.

By supporting TBC and VISA, 200 new online georgian shops were created. TBC suggested the service for preparing online shop, photographing, integrating payment system and delivery service as well as online deferred payment.

Ensuring health of employees was the number one priority since the first confirmed case in Georgia. Soon the working from home practice was introduced and now 95% back office employees work remotely. Intensified health security measures were taken and promoted in branches.

The most important step that has received very positive feedback was TBC's decision to keep all employees and not fire anyone due to the crisis caused by the pandemic.

It's interesting that 78% of individual bodies, 59% of micro, small and medium sized businesses and 32% of corporate

businesses benefited from the loan relief program.

TBC assisted business: corporate sector financed projects worth ₾560 million. As for digital transformation, 450 micro

small and medium business companies were supported. \$154 million attracted from International finance organizations and TBC plans to attract \$450 million by the end of the year.

TBC's mission, as stated by representatives is to simplify people's lives, to have 10million customers by 2022, 5.4 million customers including ecosystems. The plan also includes opening the first TBC branch and Space in Uzbekistan.

TBC positions itself as technological company and plans to improve its products and services in this direction

As for economic prognosis, TBC's main economist, Otar Nadaraia, says that compared to 2008, in 2020 outfling effect is more, however it's expected that the restoring process will happen sooner and the total loss will be relatively less. The dynamics of fast indicators along with the opening economy indicates the restoration of activity.

According to Nadaraia, the sharp depreciation of the Lari exchange rate is less likely. According to the basic scenario, it's expected that the Lari exchange rate will remain at its current state. Besides inflows, the Lari exchange rate against the Dollar depends on the Dollar's rate against Euro, Lira and Ruble. Given that dollar is very solid against other valutes, it's less likely that it will further harden in international markets

Unlike the 2008 year crisis, there are no 'bubble' signs on the real estate market as of today, which is guaranteed that real estate prices will not lessen much, bringing fast recovery.



დისტანციური მომსახურება

78% of individual bodies benefited from loan relief programs.

Weather

Friday, June 5

Day ☀ Clear
High: 27°C
Night 🌥 Partly Cloudy
Low: 15°C

Saturday, June 6

Day ☀ Clear
High: 28°C
Night 🌙 Clear
Low: 17°C

published by
The Messenger

43, Chovelidze st., Tbilisi,
0108, Georgia
Founded by Prof.

Zaza Gachechiladze
Tamar Gachechiladze
Publisher

Mob.: +995 599 565621; +995 577 760000
E-mail: messenger@messenger.com.ge
<http://www.messenger.com.ge/>

Nino Metreveli
Commercial Director

Mariam Mchedlidze
Editor-in-Chief

Natalia Kochiashvili
Executive Editor

Khatuna Gogichaishvili
Layout Designer, Photographer

The Messenger welcomes your contributions. If you are interested in submitting an article or news item please contact. All contributions should be submitted by e-mail. The Messenger Georgia's English language daily is an independent newspaper, and,

therefore, the opinions expressed in some articles do not necessarily coincide with those of the newspaper. We take no responsibility for any claims made in advertisements.

The Messenger preserves the style of a source written in English where possible.