

## Politics / Economics

### IMF lowers economic growth forecast for Georgia



### Trade and tourism boost economic recovery in Georgia's regions



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BY VERONIKA MALINBOYM

Prime Minister of Georgia Irakli Garibashvili tested positive for COVID-19, PM's office announced earlier today. The office confirmed that the prime minister is now in self-isolation but feels fine and will continue to work remotely.

"I tested positive for COVID-19. I am currently in self-isolation, but I am feeling well and I continue to work remotely," PM Garibashvili posted on his Facebook page.

## Georgian PM Garibashvili tests positive for COVID-19, President Zurabishvili self-isolates



President of Georgia, Salome Zurabshvili, has also moved into self-isolation after having been in contact with PM Garibashvili a few days ago, despite

having received the first shot of AstraZeneca vaccine earlier in March. The Zurabishvili's press office reported that the president would take a PCR test

as per the protocol.

Earlier today, Head of Labour Inspection of Georgia Beka Peradze announced that amidst the rising fears of the third way of pandemic in Georgia, the government is introducing a new set of regulations which will prohibit renting of the property for the purpose of organizing social events. Peradze added that according to the new regulations, the property owner will be obliged to report any social event that is held on the premises of their property, as the failure to do so may result in a fine of \$3,000 (approximately ₾ 10,000).

Deputy Health Minister of Georgia Tamar Gabunia, has also stated earlier today that in case the government considers it necessary to introduce further regulations, the restriction of movement will be among the first possible options to consider. Gabunia added that the concrete plan related to the Orthodox Easter celebrations has not been drawn yet, noting the government would come up with it in April:

"Everything will depend on how well the society follows the rules that have already been established. It will determine whether or not we will have to reintroduce stricter measures," said Gabunia.

As of today, 897 new cases of COVID-19 have been confirmed in Georgia, 463 of which were recorded in Tbilisi. Over the last 24 hours, 196 patients have made a recovery, and 10 have died. The total count of confirmed cases in Georgia since February 2020 has reached 284,958.



Head of Labour Inspection of Georgia Beka Peradze

Exchange Rates: US Dollar - 3.4069; Euro - 4.0232; GBP - 4.7131; 100 Russian Ruble - 4.4554; Swiss Franc - 3.6298

# IMF lowers economic growth forecast for Georgia



By NATALIA KOCHIASHVILI

The International Monetary Fund (IMF) has cut its economic growth forecast for Georgia - the organization expects only a 3.5% recovery in the country this year, when the previous forecast was for 4.3% growth. The Georgian government maintains a 4.3% growth forecast.

According to the report, 5.8%

economic growth is expected in the country in 2022, and 5.5% economic growth is expected in 2023. The Georgian government has a similar forecast for growth in 2022 and 2023.

If economic activity is lower than the prediction for this year, the volume of tax revenues in the 2021 budget may be threatened.

According to the World Bank, the Georgian economy is unlikely

With the increase in the refinancing rate by the NBG, the domestic debt of the state has become more expensive.

to recover to the pre-Covid level by the end of 2022.

On April 6, the government took ₾ 35 million domestic debt today and the banks were ready to buy ₾ 91 million worth of securities.

The Georgian government re-

ceives domestic debt from the local economy by issuing treasury bonds and treasury bonds. This financial resource is purchased by commercial banks from the state. With the increase in the refinancing rate by the National Bank of Georgia (NBG),

the domestic debt of the state has become more expensive.

Alexander Dzeladze, President of the Banking Association, explained that as a result of the NBG's decision to increase refinancing by 50 basis points in March to 8.5%, banks' interest in government bonds will increase.

Besides, 2-year securities with a face value of ₾ 20 million were sold at the Treasury Bill Auction of the Ministry of Finance yesterday. According to NBG, the demand for securities was ₾ 45 million. The minimum interest rate was 8.500%, maximum-8,580%, and the average weighted interest rate was set at 8,542%. The coupon interest rate was 8%. The coupon will be paid twice a year.

182-day ₾ 15 million securities were also sold at the Treasury Bill Auction on Tuesday. The demand for it amounted to ₾ 46 million.

## UNDP, Switzerland and Austria showcase local economic initiatives in Kvemo Kartli

As Georgia's economy emerges from the pandemic crisis, local entrepreneurship is vital to retain incomes and sustain jobs in rural regions. With funding from the Austrian Development Cooperation (ADC) and the Swiss Agency for Development and Cooperation (SDC), UNDP is assisting municipalities and local businesses across the country with a series of economic development initiatives.

Examples of this support were presented on 2 April at a regional fair in Rustavi Central Park, showcasing over 60 tourism-related business start-ups from seven municipalities of the Kvemo Kartli region. The display included crafts and goods produced by twenty-six women farmers, members of the UNDP-supported Kvemo Kartli Network of Women Entrepreneurs.

The event was attended by UNDP Resident Representative a.i. Anna Chernyshova and Deputy Mayor of the Rustavi City Kakha Guruli.

# Trade and tourism boost economic recovery in Georgia's regions



Photo: Leli Blagonravova/UNDP

"After a year of lockdowns, Georgia's regions are looking at possibilities to reopen for domestic visitors," Chernyshova said. "We help local entrepreneurs to expand the touristic offer and build economic resilience over the pandemic and beyond."

To promote local tourism, Kvemo Kartli municipalities and entrepreneurs used assistance from the UNDP's robust programme for regional and local development funded by the SDC, ADC and the Government of Georgia. In 2020, the programme provided direct funding worth USD 409,506 to fifteen

municipalities in four regions (Racha-Lechkhumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli), aimed at supporting local entrepreneurs, artisans and farmers. Furthermore, USD 556,299 was dedicated to community projects initiated by fourteen local non-governmental organisations, amounting up to a total aid of over USD 965,805.

"Switzerland remains Georgia's committed partner in fostering regional and local development," said Dr. Danielle Meuwly, Regional Director of the Swiss Cooperation Office for the South Caucasus, Embassy of



Switzerland. "Working hand in hand with our partners from the national, regional and local authorities, civil society and the private sector, we strive to promote sustainable and inclusive growth in Georgia's regions."

"The Austrian Development Cooperation (ADC) and its operational unit, the Austrian Development Agency (ADA) are grateful to support the people of Georgia in their endeavour to develop sustainable local businesses. Drawing on our own experience, we truly believe that strengthening local value chains can improve the livelihoods of people living in rural areas in the long

run," said Alexander Karner, Head of the Austrian Development Cooperation's local office in Tbilisi. "Unfortunately, the pandemic slowed down economic development in many regions. Nevertheless, we strongly believe that the encouraging initiatives showcased in Kvemo Kartli today will translate into new opportunities for local communities, rebuilding livelihoods in Georgia's regions."

The UNDP, SDC and ADC assistance to local economic initiatives will continue through 2021, benefitting municipalities, businesses and citizens.

## Weather

Wednesday, April 7

Day Partly Cloudy High: 22°C  
Night Showers Low: 11°C

Thursday, April 8

Day Clear High: 27°C  
Night Partly Cloudy Low: 12°C

published by The Messenger

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