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Georgia's Macroeconomy at a Glance: Resumption of Credit Growth

After suffering a temporary setback in April 2014, the year-on-year growth rate in May is back to upper single digits (6.3%). However, macro indicators suggest that the economic landscape has hardly changed between April and May. This means the "base effect" continues to affect the observed growth rate swings. Nevertheless, various macro indicators for May show reasonable gain for the economy.

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HIGHLIGHTS:



Energy Review

Energy is one of the key sectors in the economy. Believing in the importance of the energy sector for Georgia, ISET Policy Institute will provide quarterly Energy Sector Reviews. The series of reports we will review and analyze the main trends and developments characterizing the energy sector of Georgia and present the main events that had been taking place during the reporting period.

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Real Estate Price Index

In June 2014 ISET Policy Institute started to calculate monthly real estate price indices for residential and commercial properties, using unique data from the online real estate marketplace. Indices are calculated for both sales and rent prices in Tbilisi. Results show that the overall selling prices of residential property increased since last year. Old Tbilisi followed by Vake-Saburtalo are the most expensive districts through 2013-2014.

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PROJECT UPDATES:

Consumer Confidence Index: The Association Agreement, the Election or Something Else?

Leading GDP Indicators: High Growth Rates Forecast Maintained

Khachapuri Index: Batumi Braces for the High Season in Tourism

Inclusive Growth Dialogues:



The Role of the Tourism Sector in Promoting Inclusive Growth in Georgia

On July 18, 2014, ISET hosted a dialogue on The Role of the Tourism Sector in Promoting Inclusive Growth in Georgia. The purpose of this event was to have a discussion about the potential of the tourism sector to improve well-being and reduce poverty in rural areas of Georgia, as well to discuss the contribution the development of large hotels in peripheral touristic destinations can make to inclusive growth in local communities.

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Business Confidence Index

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Business Confidence Index

Quarter 2 Business Survey Analysis

In the second quarter of this year, the ISET Business Confidence Index reached 21.7 points, down from 30.2 in the first quarter. The financial sector outlook has improved considerably since the last quarter of 2013. Manufacturing and retail sector firms show increasing business confidence, although there is divergence in business outlook between large firms and SMEs in these sectors. The economic outlook for the next three months has been positive for all sectors. However, the optimism is a bit dampened relative to the first quarter of the year. The manufacturing sector is the leader in business expectations, with all large firms reporting expected improvements in the business situation.

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FROM THE BLOG:



Common Language, Education, and Nation Building

Back in the middle of the 19th century, Georgia was much more fragmented and unequal than today. The beginning of Georgia's national revival in the second half of the 19th century was as much about reasserting the nation's autonomy vis-à-vis the Russian empire as it was about i) breaking the traditional feudal divides within the Georgian society, ii) modernizing the Georgian language (bringing the language of literati closer to the vernacular spoken by the ordinary people) and iii) educating the "dark peasant masses".

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Georgian Nepotism

In Georgia, employment is often found not through prevailing in fair, orderly selection processes, but through personal connections. This is a well-known fact almost nobody denies. In the Georgian language, people who are not employed because of their suitability for a job but due to other reasons are euphemistically called "coffee makers". Two months ago I visited several companies in Shida Kartli and found out that there are plenty of coffee makers even in private organizations.

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