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Georgia's Macroeconomy at a Glance: Consumer Sentiment Sours Despite Strong July Growth Indicators

After a dip in April, the GDP growth rate seemed to be getting back on track with a year-on-year growth rate of 7.2% in July. This was corroborated by higher rates of electricity consumption and an increase in VAT payers' turnover. In July, electricity consumption and VAT payers' turnover were 3.8% and 15.4% higher, respectively, compared to the same month in the previous year.

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PROJECT UPDATES:

Consumer Confidence Index: Drought Drives Down Consumer Confidence in Georgia

Leading GDP Indicators: Sharp Fall in Growth Rates Predicted for the Second Half of the Year

Khachapuri index: Prices Go Up as the Summer Party Comes to an End

Business Confidence Index

Q3 2014 REPORT :: ISET Policy Institute :: International Chamber of Commerce

Business Confidence Index

Quarter 3, 2014 Report

In the third quarter of 2014, Business Confidence improved to 40.4 index points. As might be expected, the tourism and recreation sector is the leader in BCI, driven by a flurry of seasonal activity in the hotel and restaurant business. Overall, the service sector was the highest contributor to growth in BCI.

Given weak demand conditions, importers and retailers avoided raising prices in the first 6 months of 2014 despite exchange rate depreciation in late 2013. In the 3rd quarter, however, based on stronger sales performance, retailers expect to be able to finally adjust prices in line with GEL's depreciation.

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Should Georgia Implement a Certification System for Its Architects and Civil Engineers?

To date, Georgia's construction sector faces very few regulations. For example, there are no official qualification requirements for architects and engineers, and public authorities are not scrutinizing the safety of building designs. Creating such a liberal policy environment was a conscious choice by the previous Georgian administration, which sought to eradicate corruption and let the construction market develop. ISET-PI conducted a pilot "Regulatory Impact Assessment" (RIA) of the Draft Code on Spatial Planning and Construction in order to assess whether time has come to regulate the industry by setting more stringent safety and professional qualifications standards for the sector.

To see the final report of the project [click here](#).

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FROM THE BLOG:



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Georgia's New Immigration Law: Many Losers and no Winners

Georgia has recently tightened its immigration policy while the country's labor market is in dire need of every European engineer, lawyer, expert farmer and teacher it can attract. We suppose that the purpose of Georgia's immigration policy should be to make it easier for experts to enter and reside in Georgia, not to create artificial bureaucratic barriers on their way here.

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Kazbegi Rooms: with a View to Improvement of Regional Development Policies

Learn how the failure of the government-controlled water company to take timely action transformed a possible win-win situation into a zero sum competition for water between the largest employer in town and the local population.

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Tbilisi – a City for Cars, Not for People

This article is not a recent submission, however the issue of excessive traffic in the capital remains topical. More than 1000 views of this blog in the past couple of weeks is clear proof of that. We suppose our readers will be coming back to this post as long as Tbilisi is maintained as a city for cars, not for people.

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