THE ANTI-CRISIS ECONOMIC PLAN
THE GLOBAL COVID-19 PANDEMIC

THE GEORGIAN AUTHORITIES BEGAN TO FIGHT AGAINST COVID-19 ON 28 JANUARY, ONE MONTH BEFORE THE FIRST CONFIRMED CASE OF INFECTION WAS REPORTED ON 26 FEBRUARY. THE STATE OF EMERGENCY WAS DECLARED ON 21 MARCH.

FIGHTING ON TWO FRONTS:
- TO PROTECT THE HEALTH AND SAVE THE LIVES OF CITIZENS
- TO SAVE THE GEORGIAN ECONOMY

THE AUTHORITIES’ FIGHT AGAINST THE SPREAD OF THE VIRUS IS VIEWED AS A SUCCESSFUL EXAMPLE WORLDWIDE!
THE ANTI-CRISIS ECONOMIC PLAN

STAGE 1

EMERGENCY ASSISTANCE TO CITIZENS AND ENTREPRENEURS

13 MARCH – 1 APRIL

CARING FOR CITIZENS:

- CITIZENS' UTILITY BILLS WERE FINANCED FOR THREE MONTHS
- ELECTRICITY, WATER, AND WASTE MANAGEMENT BILLS WERE FINANCED FOR MORE THAN 1.2 MILLION FAMILIES
- NATURAL GAS BILLS WERE FINANCED FOR MORE THAN 670,000 FAMILIES
- 150 MILLION GEL
The state insured the nine main food products against price spikes.

- 15 million GEL
- Contracts signed with major importer companies

With the help of the state, citizens were provided with the opportunity to defer loan payments for three months.

- 600,000 citizens have already taken advantage of this concession.
CARING FOR THE ECONOMY:

BUSINESS ENTITIES CONNECTED WITH THE TOURISM INDUSTRY HAVE HAD FOUR MONTHS OF PROPERTY AND INCOME TAX PAYMENTS DEFERRED UNTIL 1 NOVEMBER 2020

- PAYMENTS HAVE ALREADY BEEN DEFERRED FOR 4,500 BUSINESSES
- 90 MILLION GEL

THE GOVERNMENT IS SUBSIDIZING 80% OF SIX MONTHS' BANK LOAN INTEREST EXPENSES FOR SMALL HOTELS

- 10 MILLION GEL
- 850 HOTELS HAVE BEEN REGISTERED
THE 90-DAY PERIOD OF CAR CUSTOMS CLEARANCE FOR VEHICLE IMPORTERS HAS BEEN DEFERRED UNTIL 1 SEPTEMBER OF THIS YEAR

50 MILLION GEL

38,000 IMPORTERS HAVE BENEFITED
ALL LEGAL ENTITIES WERE GIVEN THE OPPORTUNITY TO RENUMBER THEIR LOANS

- 7,000 LEGAL ENTITIES HAVE ALREADY TAKEN ADVANTAGE OF THIS OFFER

THE STATE HAS INSURED THE CONSTRUCTION MATERIALS FOR ALL INFRASTRUCTURAL PROJECTS AGAINST PRICE SPIKES

- 200 MILLION GEL
THE NEGATIVE EFFECT OF THE PANDEMIC ON THE COUNTRY’S ECONOMY:

- ECONOMIC GROWTH: -4%
- BUDGETARY REVENUES: -1.8 BILLION GEL
- THE REDUCTION OF CURRENT EXPENSES: 300 MILLION GEL

EXPENSES PERTAINING TO SOCIAL AND ECONOMIC ASSISTANCE, AS WELL AS EXPENSES ASSOCIATED WITH THE MANAGEMENT OF COVID-19 ARE ADDED TO BUDGETARY EXPENDITURES.

RESOURCES REQUIRED FOR THE BUDGET, CONSIDERING THE ANTI-CRISIS PLAN: 3.9 BILLION GEL
INTERNATIONAL PARTNERS HAVE ALLOCATED

$3 BILLION

FOR THE COUNTRY'S ECONOMY
CARING FOR CITIZENS
TARGETED SOCIAL ASSISTANCE

HIRED EMPLOYEES WHO HAVE LOST THEIR JOBS OR ARE ON UNPAID LEAVE WILL RECEIVE **1,200 GEL IN ASSISTANCE OVER A PERIOD OF SIX MONTHS** - 200 GEL PER MONTH

APPROXIMATELY 350,000 CITIZENS WILL BE ABLE TO TAKE ADVANTAGE OF THE ASSISTANCE

460 MILLION GEL
EMPLOYERS WILL RECEIVE STATE SUBSIDIES FOR EVERY RETAINED JOB

- FOR SIX MONTHS, SALARIES OF UP TO 750 GEL WILL BE FULLY EXEMPT FROM INCOME TAX
- FOR SALARIES OF UP TO 1,500 GEL, 750 GEL WILL BE EXEMPT FROM INCOME TAX
- 250 MILLION GEL

PERSONS EMPLOYED IN THE INFORMAL SECTOR OR SELF-EMPLOYED PERSONS WILL RECEIVE ONE-TIME ASSISTANCE OF 300 GEL IF THEY PROVIDE PROOF OF LOSS OF INCOME

- APPROXIMATELY 75 MILLION GEL
IN SIX MONTHS, ASSISTANCE AMOUNTING TO 600 GEL ON AVERAGE WILL BE PROVIDED TO:

- **FAMILIES WHOSE SOCIAL RATING SCORE IS BETWEEN 65,000 AND 100,000**
  - APPROXIMATELY 70,000 FAMILIES – 190,000 CITIZENS WILL BENEFIT
  - 45 MILLION GEL

- **FAMILIES WHOSE SOCIAL RATING SCORE IS BETWEEN 0 AND 100,000 AND WHO HAVE THREE OR MORE CHILDREN UNDER THE AGE OF 16**
  - APPROXIMATELY 21,000 FAMILIES – 130,000 CITIZENS WILL BENEFIT
  - 13 MILLION GEL

- **PERSONS WITH SEVERE DISABILITIES AND DISABLED CHILDREN**
  - APPROXIMATELY 40,000 CITIZENS WILL BENEFIT
  - 25 MILLION GEL
PENSION INDEXATION WILL BE INTRODUCED IN JANUARY 2021:

- THE PENSIONS OF ALL PENSIONERS WILL INCREASE BY NO LESS THAN THE RATE OF INFLATION, I.E., RISING PRICES WILL NO LONGER AFFECT THE REAL VOLUME OF PENSIONS
- 80% OF REAL ECONOMIC GROWTH WILL BE ADDED TO THE RATE OF INFLATION FOR PENSIONERS AGED 70 AND OLDER, I.E., THE ANNUAL RATE OF GROWTH OF PENSIONS WILL BE HIGHER THAN THE RATE OF INFLATION

- PENSION GROWTH WILL BE NO LESS THAN 20 GEL – AND NO LESS THAN 25 GEL FOR PENSIONERS AGED 70 AND OLDER – REGARDLESS OF INFLATION AND ECONOMIC GROWTH PARAMETERS

THE ADDITIONAL GROWTH OF PENSIONS FOR PENSIONERS AGED 70 AND OLDER BY 30 GEL FROM 1 JULY WILL REMAIN IN FORCE.

- APPROXIMATELY 410,000 PENSIONERS WILL BENEFIT

ONCE THE EPIDEMIC HAS ENDED, THE SOCIAL ASSISTANCE SYSTEM (SCORING AND THE AMOUNTS OF FINANCIAL ASSISTANCE) WILL BE REVISED
CARING FOR THE PRIVATE SECTOR - ASSISTANCE FOR ENTREPRENEURS

THE AUTOMATIC VAT REFUND MECHANISM WILL COME INTO FORCE AND VAT SURPLUS REFUNDS WILL BE DOUBLED – THIS YEAR, BUSINESSES WILL RECEIVE AN ADDITIONAL 600 MILLION GEL

COMMERCIAL BANKS WILL BE PROVIDED WITH 600 MILLION GEL IN LONG-TERM RESOURCES

ADDITIONAL 500 MILLION GEL WILL BE ALLOCATED TO SUPPORT BUSINESS, INCLUDING:
THE CREDIT GUARANTEE SCHEME; BUDGET – 300 MILLION GEL

- CREDIT PORTFOLIOS OF 2 BILLION GEL WILL BE ISSUED WITH GUARANTEES
- GUARANTEES ON NEW LOANS: 90%
  ON RESTRUCTURING: 30%

THE STATE PROGRAM PRODUCE IN GEORGIA
CO-FINANCING CONDITIONS:

- INCREASING THE PERIOD OF CO-FINANCING OF LOANS/LEASING FROM 24 MONTHS TO 36 MONTHS
- CHANGING THE MECHANISM OF INTEREST CO-FINANCING
- MORE TYPES OF ACTIVITIES
- LOWERING THE MINIMUM THRESHOLD FOR LOANS/LEASING
- INCREASING FUNDING FOR CIRCULATING ASSETS
CARING FOR VILLAGES, AGRICULTURE, REGIONAL DEVELOPMENT

- **GRANTS OF UP TO 30,000 GEL**

- **AGROCREDIT - FINANCING ANNUAL CROPS**
  - FULL FINANCING OF LOAN INTEREST
  - THE ESTIMATED TOTAL VOLUME OF LOANS - 50 MILLION GEL
  - NUMBER OF BENEFICIARIES - 5,000

- **SUPPORTING AMELIORATION ACTIVITIES**
  - FULL EXEMPTION FROM AMELIORATION FEES FOR 2020
  - FULLY WRITING OFF DEBTS ACCUMULATED IN PREVIOUS YEARS
1.2 MILLION HECTARES OF LAND WILL BE SYSTEMICALLY REGISTERED OVER A PERIOD OF THREE YEARS
THE BUDGET FOR THE FIGHT AGAINST COVID-19

CARING FOR CITIZENS AND PROVIDING THEM WITH SOCIAL SUPPORT:
1.035 BILLION GEL

CARING FOR THE ECONOMY AND SUPPORTING ENTREPRENEURS:
2.11 BILLION GEL

STRENGTHENING THE HEALTHCARE SYSTEM AND FIGHTING AGAINST THE PANDEMIC:
350 MILLION GEL

3.5 BILLION GEL
THE PLAN FOR LIFTING RESTRICTIONS AND REVIVING THE ECONOMY
| **RULES** |
|-----------------|------------------|
| **MANDATORY:** | OBSERVING THE ESTABLISHED RULES OF SOCIAL DISTANCING |
| **MANDATORY:** | WEARING FACE MASKS IN PUBLIC PLACES |
| **MANDATORY:** | THE OBSERVANCE OF RULES ESTABLISHED BY THE MINISTRY OF HEALTHCARE BY LEGAL ENTITIES |
| **RECOMMENDED:** | CONTINUING TO WORK REMOTELY IN THE PUBLIC AND PRIVATE SECTORS; LIMITING PHYSICAL CONTACTS AS MUCH AS POSSIBLE |
STAGES

» Restrictions on economic activities will be lifted gradually.

» The interval between stages: two weeks on average.

» Transitioning to the next stage will take place on the basis of the analysis of the epidemiological situation.

» If the epidemiological situation deteriorates, it will be possible to reinstate the removed restrictions or to delay the transition to the next stage.
STAGE 1 – FROM 27 APRIL

PERMITTED ONLY IF THE RELEVANT RULES ARE FOLLOWED:

- TRANSPORTATION BY CAR
- OPERATING TAXIS
- ONLINE SHOPPING IN FULL (WHOLESALE AND RETAIL)
- DELIVERY SERVICES (ALL TYPES OF PRODUCTS)
- THE OPERATION OF OPEN AGRARIAN MARKETS
STAGE 2

- CONSTRUCTION
- ACTIVITIES RELATED TO CONSTRUCTION SUPERVISION
- PRODUCTION OF CONSTRUCTION MATERIALS
- CAR WASHES AND CAR SERVICES (IN FULL)
- REPAIRS OF COMPUTERS, AS WELL AS PERSONAL AND HOUSEHOLD GOODS
  
  ALSO:
- OPERATION OF RECREATION ZONES
STAGE 3

- Retail and wholesale shops (apart from shopping malls) that possess separate street-side entrances
- All types of open markets
- All types of production
- Publishing activities
STAGE 4

- SHOPPING MALLS
- OPEN TYPE RESTAURANTS/FOOD AND BEVERAGE FACILITIES (WITH ON-SITE SERVICE)
- ALL TYPES OF FINANCIAL SERVICES
- BEAUTY SALONS AND AESTHETIC MEDICINE CENTERS
STAGE 5

CLOSED TYPE MARKETS AND FAIRS

ALL TYPES OF RESTAURANTS/FOOD AND BEVERAGE FACILITIES (WITH ON-SITE SERVICE)
STAGE 6

- Entertainment, Sports and Recreation, Creative Activities
- Gambling Businesses
- Hotels
- Educational Institutions
- All Other Activities (in non-remote mode)