

UPDATE FROM THE CHIEF ECONOMIST

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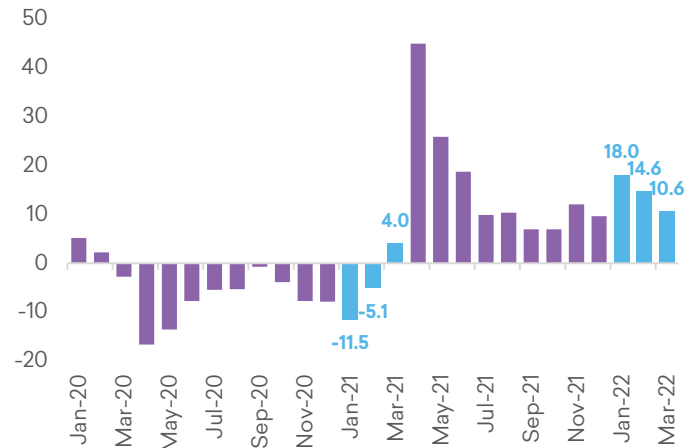
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March growth estimate came in at 10.6% reflecting the increased activity in a broad range of sectors and being slightly higher than our assumption in the [5.5% scenario](#) for the full year 2022. Notably, the seasonally adjusted monthly annualized GDP was at 6.7%. From the drivers, [exports](#) and tourism inflows supported by the migration impact were stronger than expected, remittances broadly in line with expectations, while imports and credit somewhat weaker as well as a fiscal stance, which in fact was contractionary (see next page).

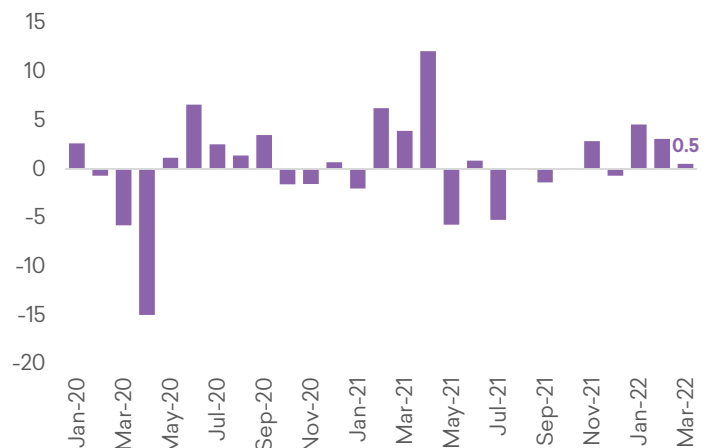
Definitely, uncertainties remain high, however recent data release at least may indicate to an even stronger than our already quite bullish outlook. This appears to be true especially when April available preliminary indicators, such as [sectoral turnovers](#) and tourism and remittances dynamics are taken into account. In particular, despite a very strong base effect a year ago, based on those inputs, our nowcasting model does not necessarily point to a large YoY drop in April.

REAL GDP GROWTH (YoY, %)



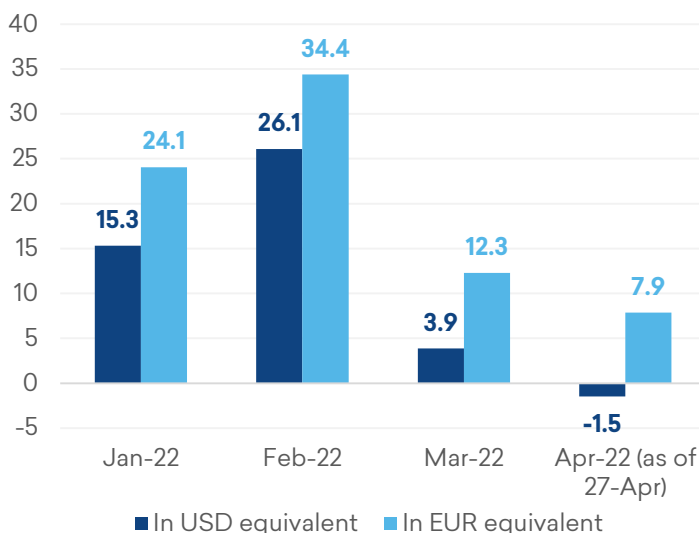
Source: GeoStat

SEASONALLY ADJUSTED REAL GDP GROWTH (MoM, %)



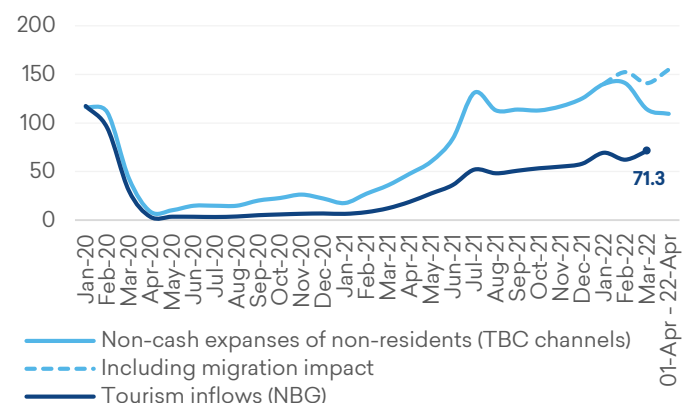
Source: GeoStat, TBC Capital

GROWTH IN TOTAL REMITTANCES THROUGH TBC CHANNELS (% YoY)



Source: TBC Bank, TBC Capital

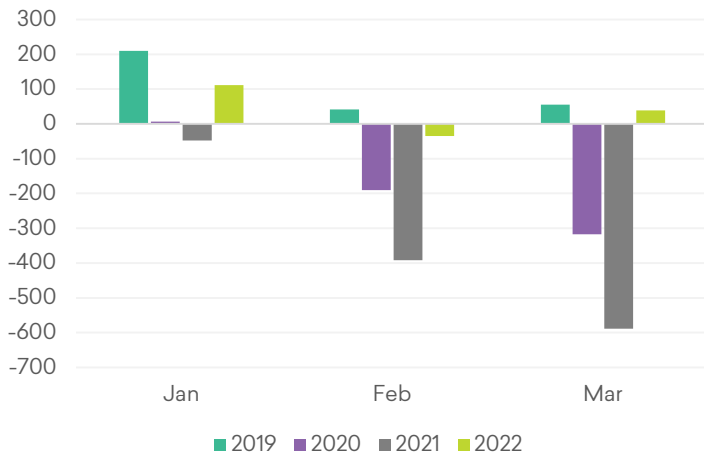
VARIOUS ESTIMATES OF TOURISM INFLOWS (in USD, same month of 2019=100)



Note: Dynamics of TBC and NBG data may differ due to the changing share of non-cash transactions in tourism expenditure as well as TBC market share. Migration impact was assessed based on our analysis of various card transactions through TBC channels. March tourism inflows data released by the NBG is adjusted to the migration impact.

Source: NBG, TBC Bank, TBC Capital

**CONSOLIDATED BUDGET BALANCE
(Million GEL, cummulative)**



Source: MoF

Data releases to watch this week:

- May 2 – Treasury Securities by holders, April, 2022;
- May 3 – Consumer Price Index, April, 2022.

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