Q&A

QUESTION (Singapore): I would like to ask about the progress and challenges in Georgia's implementation of SDGs on a national level. In particular, how has this changed in a post COVID-19 world? Given the socio-economic impacts of the pandemic, what steps are your country taking to promote economic growth and decent work, and achieve SDG 8 by 2030?

ANSWER:

Since the beginning of the COVID19 crisis, the Government of Georgia undertook proactive and rapid measures to stop the spread of the virus. Like elsewhere, the crisis caused challenges for Georgian economy. According to the IMF's late assessment in the frames of the Sixth Review Under the Extended Arrangement, real GDP growth is expected to be negative 4% in 2020.

The most significantly affected sector of the economy due to the pandemic is tourism. Already in first quarter of 2020, income from the international visitors has declined by the 26%. It is anticipated that overall service export will shrink by 55% in 2020. Decline of the tourism will have negative consequences on the other sectors of the economy, including constructions and real estate.

In order to effectively continue managing the crisis and to mitigate the economic damage the country and its citizens faced, the Government began to mobilize, redirect, and coordinate donor assistance and utilize it to address the emerging needs and to recompense the damage caused by the pause of the economy. It should be noted that Georgia was the first country to receive increased funding from the International Monetary Fund under the pandemic. Successful negotiations with the IMF have allowed the country to attract significant financial resources from other donors.

In April 2020 the government presented the anti-crisis plan which represents a core relief package for the private sector and for the citizens that have suffered in the face of Covid-19.

In order to cushion the economy, the government introduced a number of relevant measures such as tax deferrals, monthly allowances and social assistance to vulnerable groups and those left unemployed, increased pensions for the senior citizens, extended credits from the banks operating in the country, covering utility costs for households and other financial assistance measures.

Relief measures were also introduced for the business entities, particularly connected to the tourism industry, including property and income tax payment deferrals and subsidies for small hotels to cover bank loan interest expenses. The 90-day period of car customs clearance for vehicle importers has been deferred until 1 September of this year. All legal entities were given the opportunity to restructure their loans.

In addition to the abovementioned horizontal activities, specific sector-based recovery plans have been developed in the areas such as agriculture, tourism and construction. These aim at supporting business actors and companies, as well as secure job-places in the respective economic sectors.