

Anti-crisis Economic plan

On April 24, 2020 Prime Minister of Georgia – Giorgi Gakharia, presented Anti-Crisis Economic plan. Prime Minister reviewed social programs and economic reliefs that the government of Georgia had already implemented. Prime Minister presented the following anti-crisis plan:

1. Social assistance plan for citizens (to be renewed after the end of epidemic):

1.1. Employees who lost their jobs or were given unpaid leave, will receive 1 200 Gel throughout the period of 6 months, in monthly installments of GEL 200;

1.2. Employers will receive subsidy from the state for each retained employee for the consequent 6 months: 750 Gel will be exempted from income tax (for the salaries below GEL 1 500).

1.3. Self-employed individuals and those employed in informal sector will receive one-time assistance of GEL 300;

1.4. Additional assistance of GEL 600 during the consequent 6 months will be provided to:

1.4.1. Families with social rating grade ranging between 65 000 – 100 000; as well as between 0 – 100 000, which have three and more children below 16;

1.4.2. Individuals with severe disabilities and disabled children;

1.5. Pension Index System - from January, 2021;

1.5.1. Pension Increase of no less than inflation rate;

1.5.2. Pensions for the elderly (≥ 70) will be added with 80% of economic growth, meaning that annual rise of the pension will be higher than inflation;

1.5.3. Pension increase will not be less than GEL 20; for the elderly (≥ 70) - no less than GEL 25;

2. Assistance plan for enterprises;

2.1. Automatic return of VAT, double return of VAT surplus, without any additional procedures ;

2.2. Commercial banks will receive long-term resources of GEL 600 million;

2.3. Additional GEL 500 million will be assigned to business for:

2.3.1. Credit portfolio of 2 billion issued with guarantee;

2.3.2. Guarantee on the new loan - 90%, on loan restructuring – 30%;

2.4. Co-funding conditions of the program - Enterprise Georgia:

2.4.1. Co-funding period on loan/leasing will increase from 24 months to 36 months.

2.4.2. Amendment of the interest co-funding mechanisms;

2.4.3. Enlarged list of activities;

2.4.4. Lowered minimum range of loan/leasing;

2.4.5. Increase of working capital funding;

3. Assistance to agriculture;

3.1. Grants up to 30 GEL 000;

3.2. Agro credit for annual crops;

3.3. Assisting amelioration activities - exemption from amelioration fee, past years' debt relief;

3.4. Systemic registration of 1.2 million hectare during consequent 3 years.

4. Total amount of Covid-19 budget:

- 4.1. Citizens and social programs – GEL 1 035 000 000;
- 4.2. Economic support of enterprises – GEL 2 110 000 000;
- 4.3. Reinforcement of Healthcare system against pandemics – GEL 350 000 000;

5. Plan of lifting imposed restrictions;

Prime Minister presented 6-stage plan of lifting imposed restrictions, considering that citizens and companies comply with the rules of social distancing; Restrictions will be lifted stage by stage. Period during stages: 2 weeks on average. Transitioning to each stage will be conducted based on analyzes of epidemiologic situation. Lifted restrictions may be renewed or next stage delayed, accordingly.

I stage – from 27 April	II stage	III stage	IV stage	V stage	VI stage
<ul style="list-style-type: none"> -Movement of cars; -Taxi; -Online trade (fully); -Delivery service; -Open agricultural markets; 	<ul style="list-style-type: none"> -Construction works; Construction supervision; -Manufacturing of construction materials; -Car wash and automobile services (fully); -Repair services; -Recreational zones; 	<ul style="list-style-type: none"> -Retail and wholesale shops (except malls) ,having independent entrance from the street; -Every type of open markets; -Any kind of manufacturing -Publishing; 	<ul style="list-style-type: none"> -Malls; -Open type restaurants; -Any type of financial services; -Beauty salons and aesthetic medicine centers; 	<ul style="list-style-type: none"> -Closed markets; -Any type of restaurants; 	<ul style="list-style-type: none"> -Entertainment, sport, creative activities; - Gambling and other playing business; -Hotels; -Educational institutions; -Any other activity (on non-remote regime) ;