



## Georgian Economy Georgia enters 2nd lockdown and government announces fresh stimulus program

Georgia | Economy  
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Today, the Government of Georgia has decided to tighten and extend the existing COVID [restrictions](#) from November 28 through January 31 in the country taking into account the current epidemic situation. Government also announced fresh support program for affected businesses and households in the amount of GEL 1.1bn including tax exemptions, unemployment benefits, subsidies for utilities and loan interest payments, etc. The restrictions also include nationwide curfew from 21:00 until 05:00 for 2 months and will be only lifted on the New Year's and Christmas nights. The strictest first phase will last until December 24 and within this phase city and intercity public transportation will be banned, and shopping malls, restaurants and cafes, will also be closed, except for delivery service. No restrictions will apply to the work of all type of construction activities, banking and finance institutions, groceries, pharmacies and hygienic shops, pet shops, press shops, beauty salons, car services, home appliance repair services, agricultural markets, taxi services, or private transportation.

By our rough estimates, the 2nd lockdown will widen economic contraction to 5.5% in 2020, revised downwards from our existing forecast of -5.1%. We expect economy to rebound to 5% growth in 2021 assuming tourism to recover to 50% of its 2019 level; without recovery in tourism we expect growth at around 3.5% in 2021. We will provide more precise view on Georgia's economy once 2021 final draft budget will be available on November 30, 2020.

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