

# PRESS CONFERENCE INVITATION

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## Business Confidence Index for Georgia is at All Time Low, Pointing to Growing Pessimism among Entrepreneurs

Date: **June 9th, 3 p.m.**

Location: **ISET, 16 Zandukeli Street, Tbilisi, Georgia**

After being steadily optimistic for most of 2014 and in the first quarter of 2015, **Georgia's business confidence dropped by 24.5 points to an all-time low level of 3.6 on a scale of [-100; 100] points.** The survey, which included 168 firms, suggests that business confidence declined on all measures, across all sectors, and for all firm sizes. Moreover, it is reflected in business perceptions concerning both current performance and expectations concerning the future.

The sharp decline in business confidence appears to be related to the recent **depreciation** of the Georgian lari and the **political wrangling** that followed. The drop in business confidence comes after seven months during which Georgian **consumer confidence** has been steadily declining, affecting consumer demand and sales. While the **retail** sector was the first one to be affected by the slump in demand, second quarter data suggest that the Georgian **financial** sector is also starting to feel the heat. Financial sector confidence dropped by a record 50.8 points (from 50.9 index points in the first quarter of 2015 to merely 0.1 points in the second quarter)!

The press conference will be led by Maya Grigolia, Senior Researcher at ISET-PI, who will present the results of the Georgian Business Confidence survey for the **2<sup>nd</sup> Quarter of 2015**. Additional comments will be shared by Eric Livny, President of ISET, and Aleksi Aleksishvili, Chairman of PMCG, and Vice Chair of ICC.

### **About the Business Confidence Index (BCI):**

The BCI survey is a joint venture of the [ISET Policy Institute](#) and the [International Chamber of Commerce-Georgia \(ICC-Georgia\)](#). It is implemented on a quarterly basis since December 2013. Business confidence for Georgia is measured for seven key sectors: 1) services, 2) retail trade, 3) agriculture, 4) manufacturing industry, 5) financial service 6) construction and 7) other sectors. For each sector, business confidence is measured through a simple survey instrument targeted at top business executives. More than 150 Georgian businesses regularly take part in the survey. We would like to thank [BIA](#) for supporting outreach in the recent survey.

### **Contact Information:**

Maya GRIGOLIA, Senior Researcher

E-mail: [m.grigolia@iset.ge](mailto:m.grigolia@iset.ge)

Tel: +995 (32) 250 71 77 ext 220

Mob: 595 362 536

Nino NANITASHVILI, Head of Communications

E-mail: [n.nanitshvili@iset.ge](mailto:n.nanitshvili@iset.ge)

Tel: +995 (32) 250 71 77 ext 228

Mob: 599 520 043