

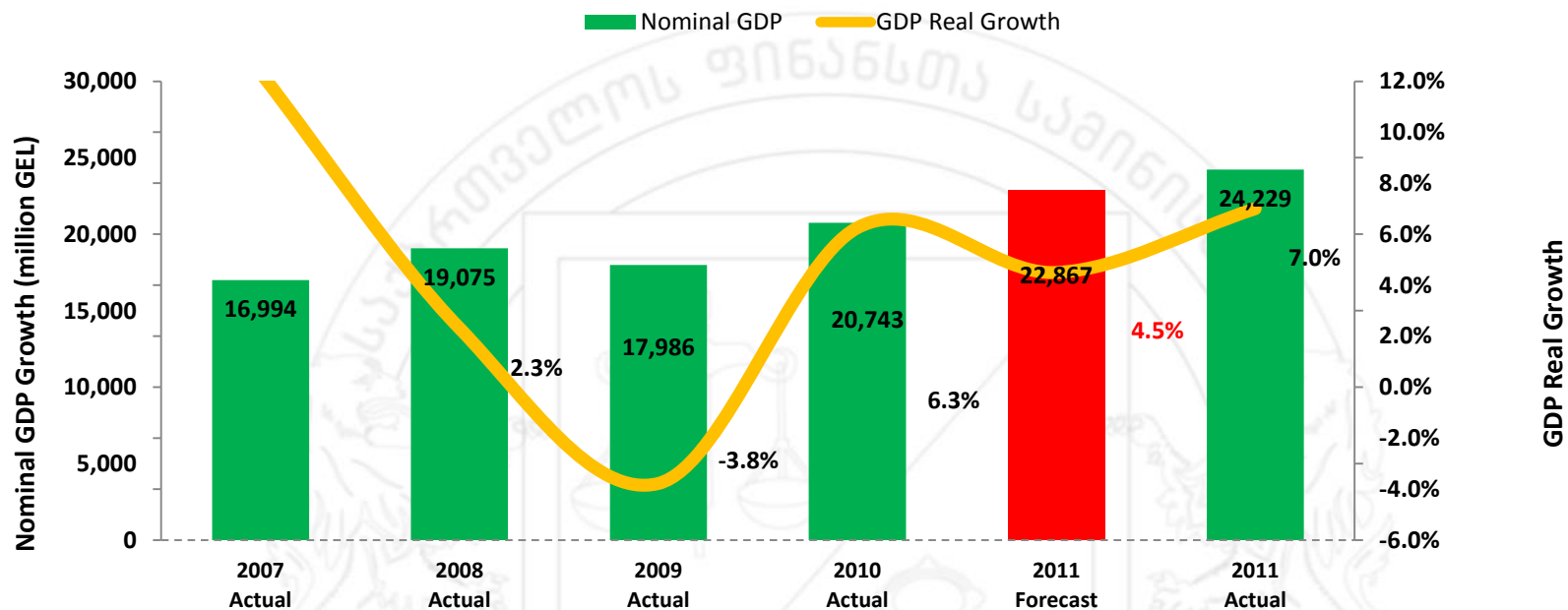


Ministry of Finance of Georgia



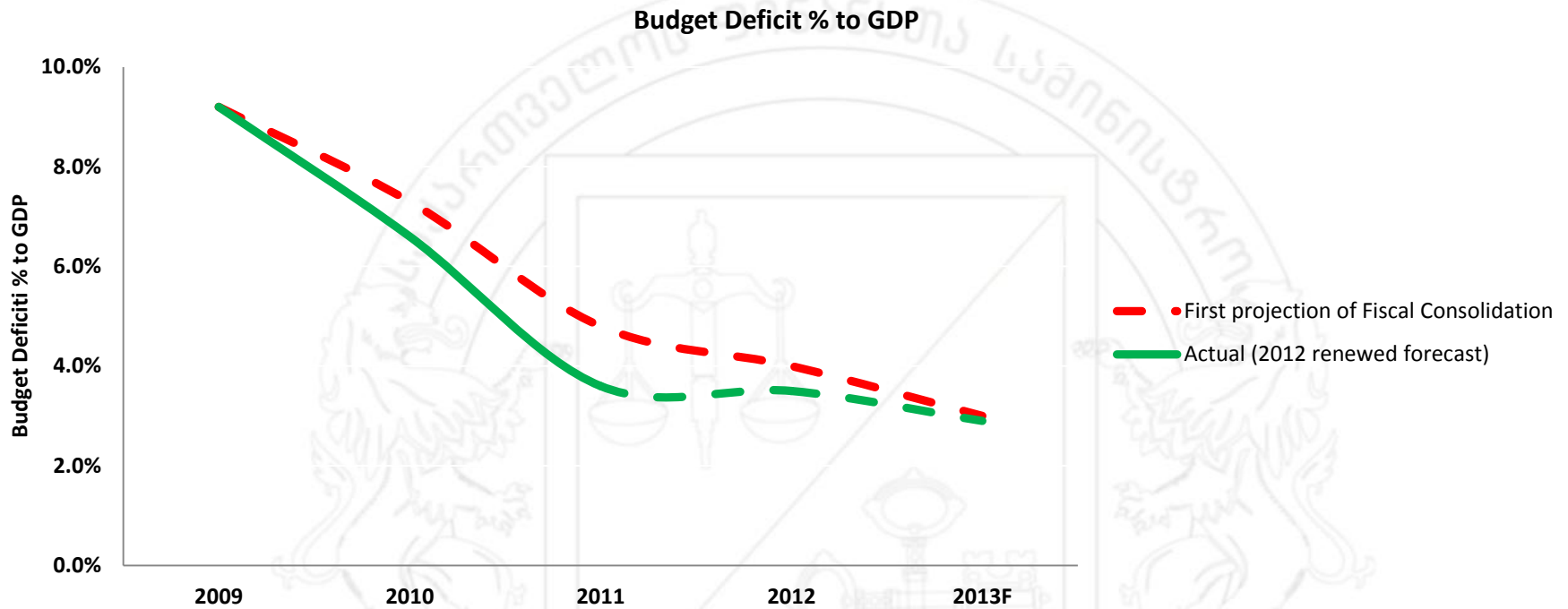
Report in brief on 2011 State Budget Performance - Citizens Guide

High Rate of Economic Growth



- Georgia has returned to its stable way of development since 2010
- Georgian economy increased by \$3,5 billion in 2011 compared to 2010;
- GDP per capita at the end of 2011 reached to \$3 215,4 which exceeds the same indicator for 2010 by \$592,4

Fiscal Stability: Decreasing Trend of Fiscal Balance

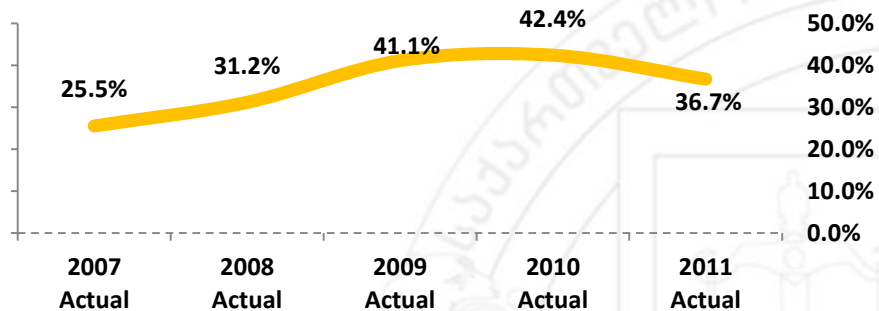


- High rate decreasing trend of fiscal balance has been reached as a result of accurate budget planning;
- 23,5% of the 2011 Budget total allocations were directed towards infrastructural projects, which are cornerstones for the country's long-term competitiveness and encourage job-creation;

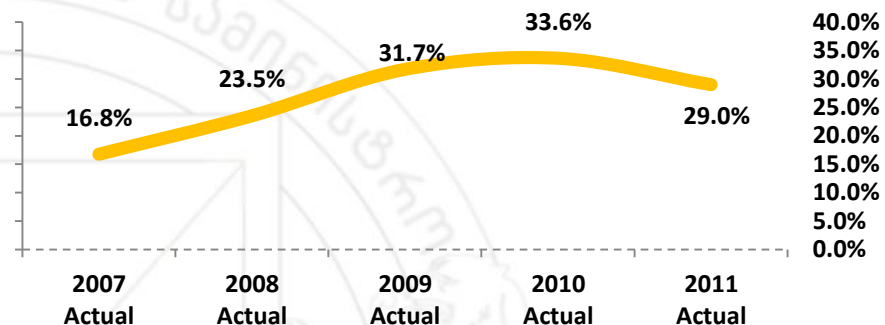


State Debt Sustainability

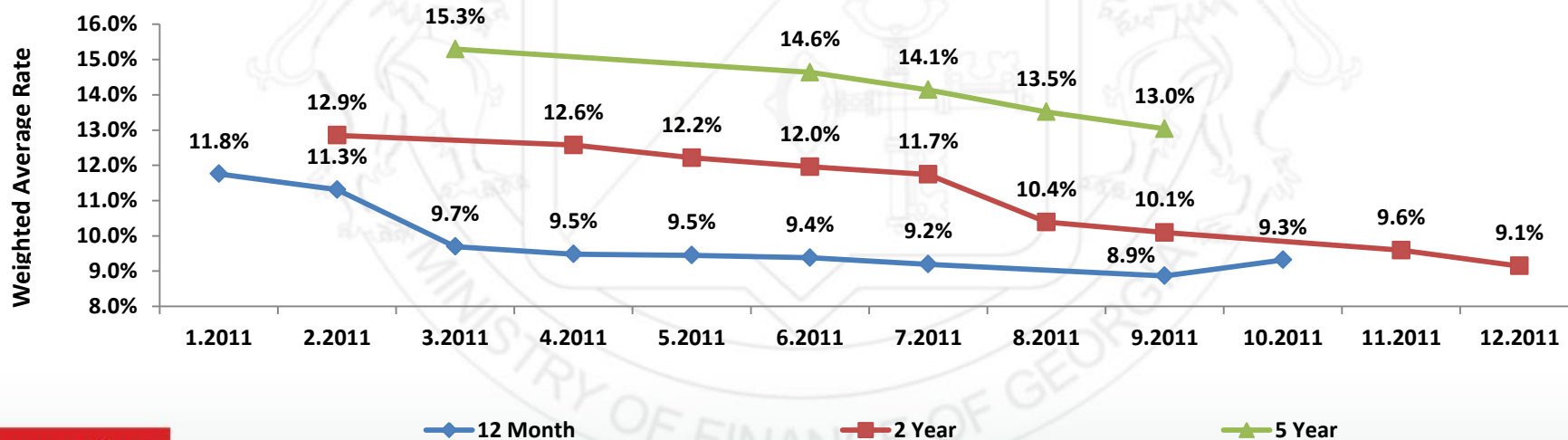
State Debt to GDP



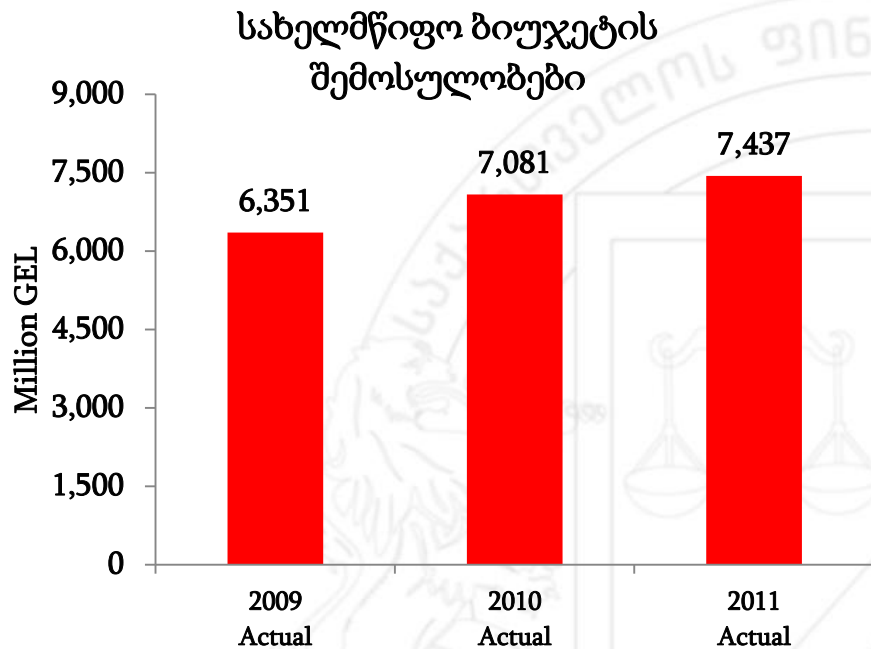
External Debt to GDP



2011 – Positive Trend of the Development of the National Securities Market



Total Receipts of the State Budget – Increasing Trend



Total receipts in 2011 was increased by 355.1 million GEL compared to 2010

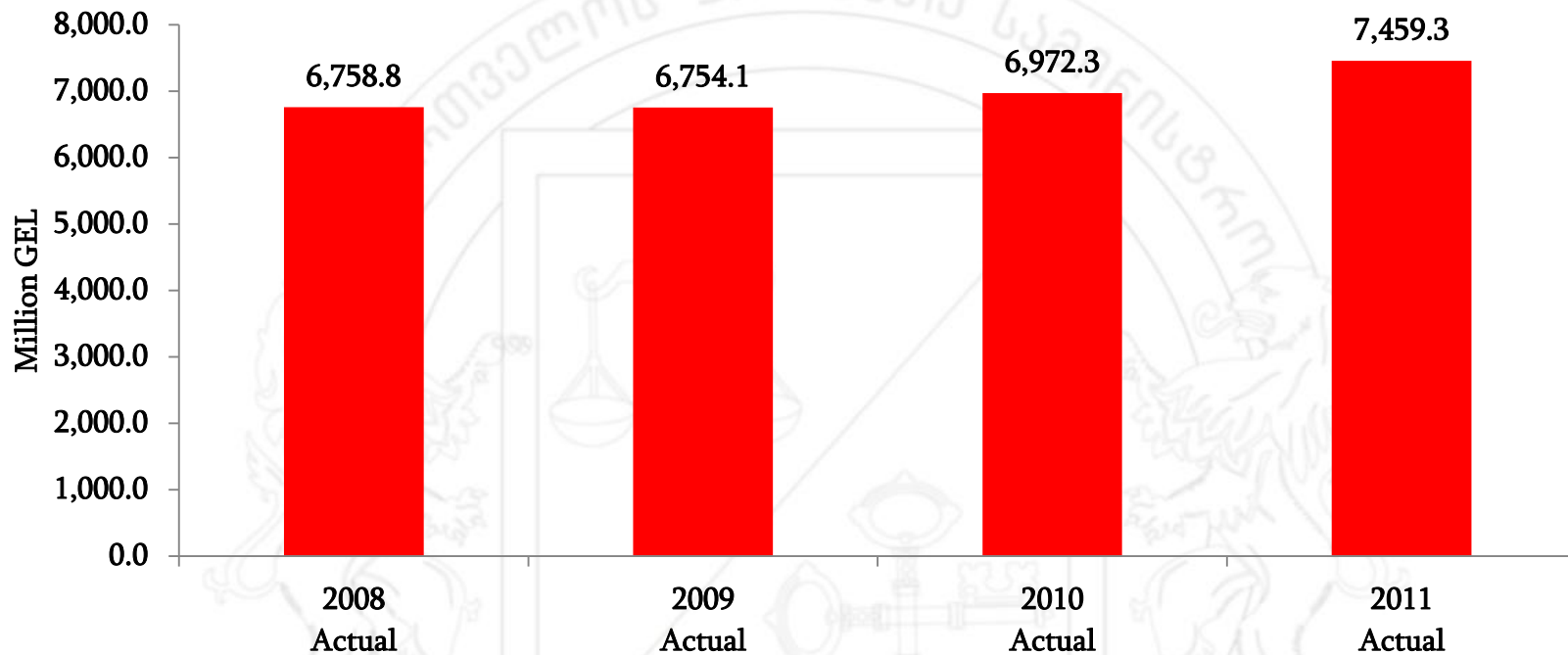
State (Domestic) Resources

| Name | 2011 Plan | 2011 Actual | Performance % |
|----------------|-----------|-------------|---------------|
| Taxes | 5,775.0 | 5,802.0 | 100.5% |
| Other Revenues | 390.0 | 417.2 | 107.0% |
| Privatization | 170.0 | 189.8 | 111.7% |
| Repayment | 60.0 | 69.5 | 115.8% |

External Financing

- Donor Funded Grants - 223,1 million GEL;
- In 2011 donor funded credits amounted to 566.8 million GEL, which were directed towards different projects, including:
 - Road Infrastructure - 212,2 million GEL;
 - Energy Infrastructure - 107,2 million GEL;
 - Water-System Infrastructure - 70,7 million GEL;
 - Municipal Infrastructure - 57,8 million GEL;
 - Other (including Agriculture) - 118,8 million GEL;

State Budget Allocations – Increasing Trend

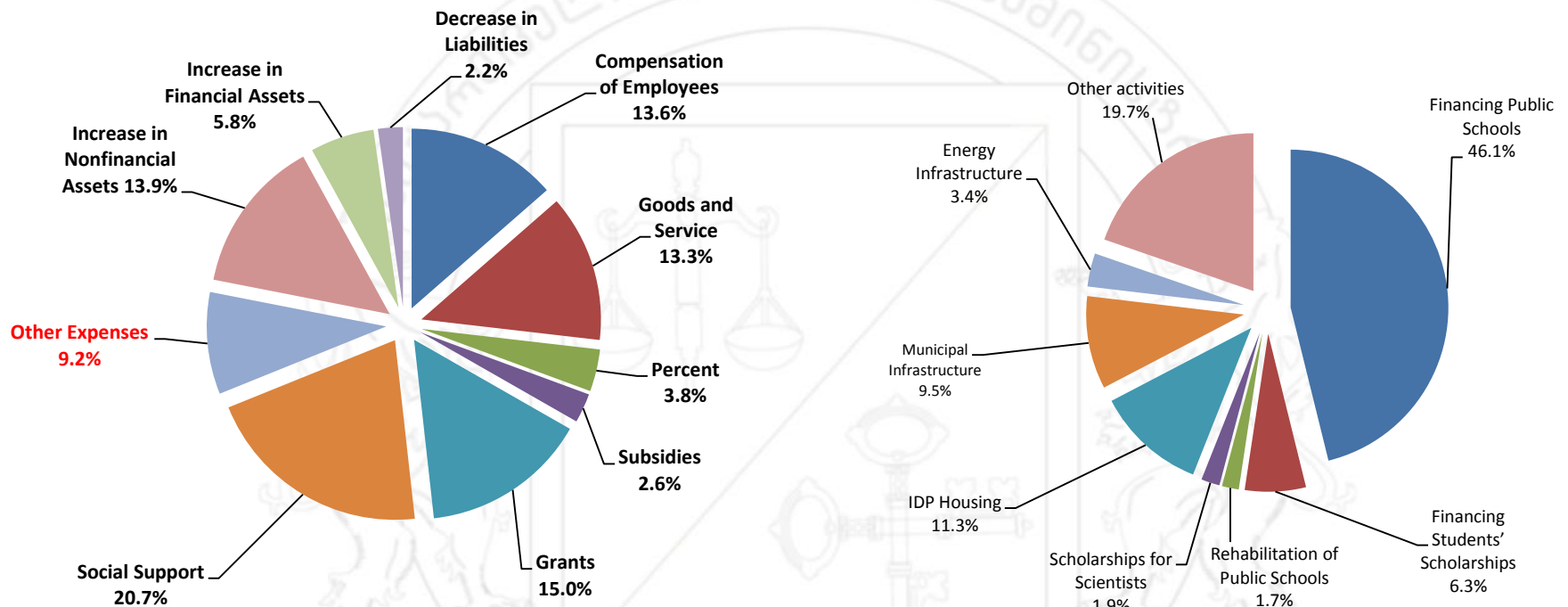


- Budget Spending was increased by 487.0 million GEL compared to 2010
- Total receipts of the 2011 Consolidated Budget (Consolidated Budget of the Central Government and Governments of the Autonomous Republics and Self-Governing Entities) amounted to 8 064.7 million GEL and the Total Expenditure amounted to 7 969,0 million GEL, respectively balance on deposits was increased by 95,7 million GEL;

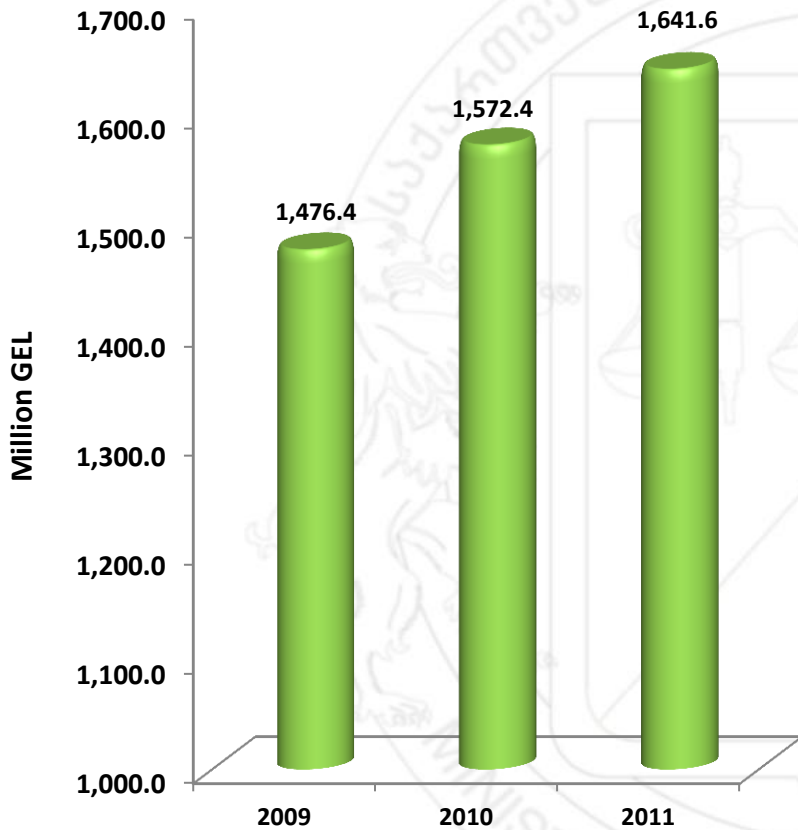
State Budget Spending



Other Expenses include following major activities

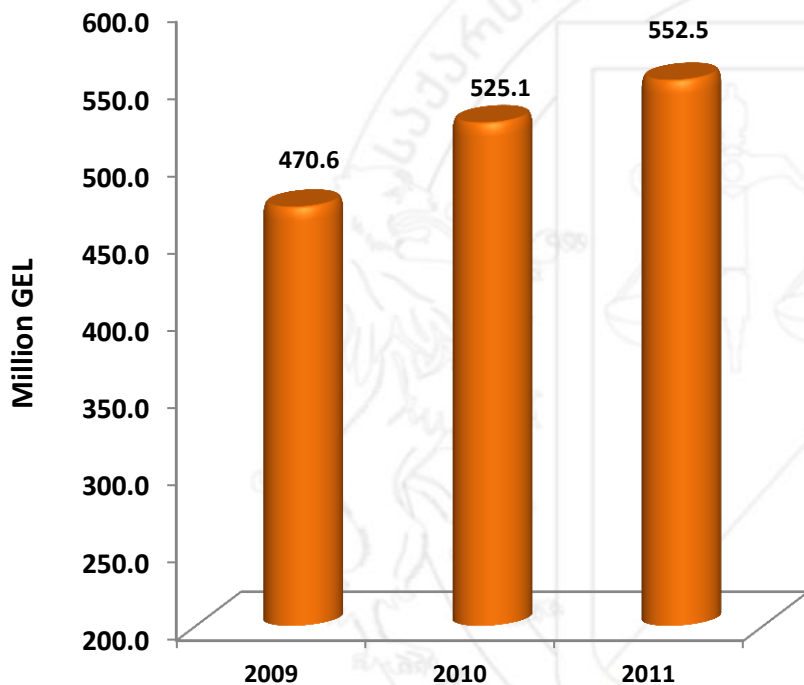


Ministry of Labour, Health and Infrastructure – Increased Budget



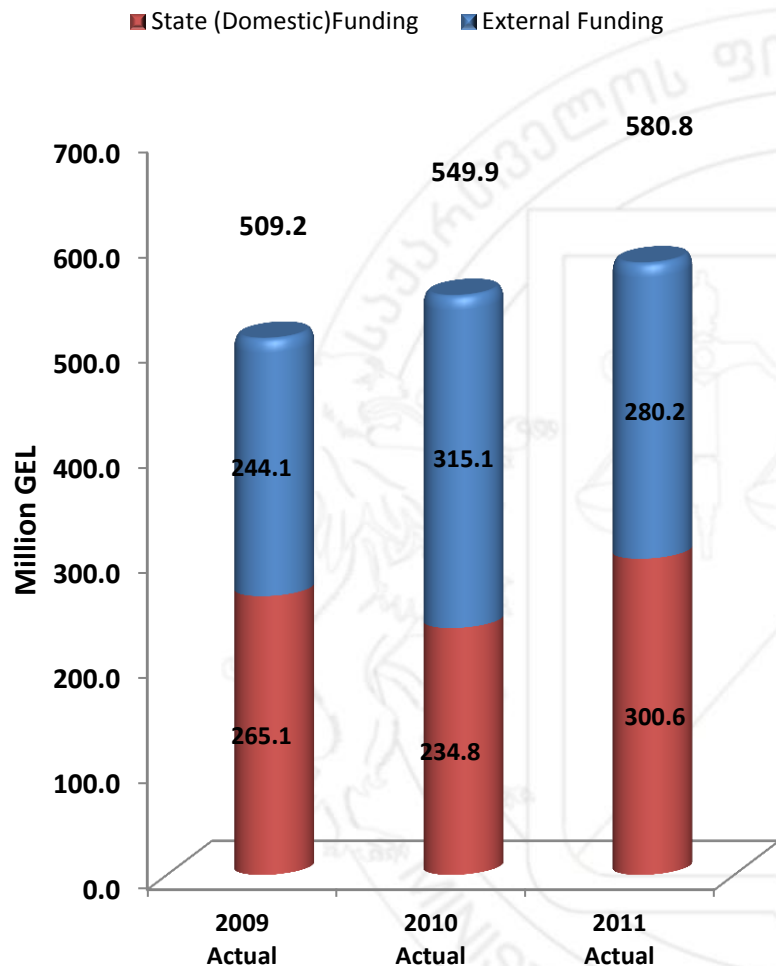
- Funding of the Ministry of Labour, Health and Social Protections was increased by 69,2 million GEL, compared to 2010
- Pension Benefits for pensioners by age and I category disabled beneficiaries was increased by 20 GEL in 2011;
- In total 987,3 GEL was directed towards pension funding;
- 277,2 was directed to Health programs and Health Insurance
- Developing Health Infrastructure was still continuing and 35 new hospitals were built and 34 hospitals rehabilitated in 2011

Ministry of Education and Science – Increased Budget



- Funding of the Ministry of Education and Science of Georgia was increased by 27,4 million GEL
- All the certified teachers received increased salary and the best 25% of them received 1000 GEL salary per month
- 5 new schools were built and more than 250 schools rehabilitated
- All School-children from the Socially vulnerable families were provided with school books

Road Infrastructure – Increased Budget



- Funding for Road Infrastructure was increased by 30,9 million GEL in 2011 compared to 2010;
- 170,1 million GEL was directed to building the East-West Highway
- 33,2 million GEL was forwarded on the new Zestafoni-Kutaisi-Samtredia part of the Highway
- 24,4 million GEL was spent on constructing the Ajara Bypass Road;
- 75,3 million GEL was directed to rehabilitation of the Samtskhe-Javakheti Roads
- 277,8 million GEL was directed to rehabilitation and maintenance of roads in different regions of Georgia