

Foreign Direct Investments (FDI)

	Concept Name	Representation
1	Contact	
1.1	Contact organisation	National Statistics Office of Georgia (Geostat)
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2	Metadata update	
2.1	Metadata last certified	March 10, 2020
2.2	Metadata last posted	March 10, 2020
2.3	Metadata last update	March 10, 2020
3	Statistical presentation	
3.1	Data description	Data on FDI by countries, economic sectors, data sources, regions, and components are mainly obtained from two sources: Private Non-Financial Sector – Statistical Survey on External Economic Activities, Private Finance Sector – National Bank of Georgia.
3.2	Classification system	<ul style="list-style-type: none"> • Classification of Economic Activities – GNC (NACE Rev.2) 006-2016 (2016); • Classification of Economic Activities GNC (NACE Rev.1.1) 001-2004 (2004); • World Country and Territory Classification – SC 007-2016 (ISO 3166); • Currency Classification – SC 008-2017 (ISO 4217); • The reference book "Administrative-territorial Division of Georgia".
3.3	Sector coverage	FDI statistics cover all private non-financial as well as financial sectors of the Georgian economy.
3.4	Statistical concepts and definitions	Foreign Direct Investment as a category of international investment activity involves the holding (or equivalent) of 10% or

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		<p>more of a share, stock or voting rights in an economic entity located on the territory of another country as well as related various economic transactions.</p> <p>Direct investment covers not only initial transaction of capital investment, but also all further transactions between direct investor and direct investment enterprise. This definition also applies to investments in cash or in kind between related enterprises, that is capital investment between branches and their headquarters.</p> <p>Direct investor could be individuals, corporations or unincorporated private and public organizations.</p>
3.5	Statistical unit	The main units of statistical observation are resident enterprises, commercial banks, insurance companies and microfinance organizations created by equity participation of non-resident entities, as well as other non-resident units.
3.6	Statistical population	<p>Population includes all economic entities that meet the following criteria:</p> <ul style="list-style-type: none"> • Non-resident founder; • Involvement in export-import transactions; • Loan taken from (given to) non-residents; • Deposit accounts at non-resident banks; • Ownership of 10% and more of equity capital of a non-resident enterprise; • Services received from (rendered to) non-residents. <p>Survey is being conducted with full coverage of selected enterprises.</p>
3.7	Reference area	<p>National Geographic Coverage: A part of the territory of Georgia controlled by the central government, with the exception of the occupied territories of the Autonomous Republic of Abkhazia and the Tskhinvali region (the former South Ossetian Autonomous District).</p> <p>International Level: World countries.</p>
3.8	Time coverage	Since 1996.
3.9	Base period	-
4	Unit of measure	USD.
5	Reference period	Quarterly, annual.
6	Institutional mandate	
6.1	Legal acts and other agreements	<p>The Law of Georgia on Official Statistics; https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf Statistical Work Programme (annual); https://www.geostat.ge/en/modules/categories/307/statistical-work-programme Charter of the National Statistics Office of Georgia. https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf</p>
6.2	Data sharing	Statistical data on foreign investments of the non-financial private sector, trade credits, foreign debt, international trade in services and other statistics are provided to the authority producing official statistics, in particular, the National Bank of

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		Georgia, on regular basis according to agreed timing and format for compilation of the balance of payments, international investment position and external debt statistics.
7	Confidentiality	
7.1	Confidentiality – policy	<p>1. The Law of Georgia on Official Statistics:</p> <ul style="list-style-type: none"> • According to the article 4 of the law individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes. • According to the article 28 (Observing Confidentiality of Statistical Data) of the law 1. The data collected for the purpose of producing official statistics shall be confidential if it allows for identification of observation unit or r it is possible to identify such data through it. 2. The confidential statistical data shall not be issued or disseminated or used for a non-statistical purpose but for the exceptions envisaged by the Georgian legislation. 3. When producing the official statistics, it is obligatory to destroy or store separately the identity data including the questionnaires containing such data and used for statistical surveys according to the rules defined in the Georgian legislation. • According to the article 29 (The Obligations and Responsibilities of the Employees of the Geostat) of the law the confidential statistical data collected and processed for the purpose of statistical survey shall not be used or disseminated by the employees of the units of the Geostat. <p>https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf</p> <p>2. Data Confidentiality Policy at Geostat https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf</p> <p>3. Public Use Microdata Dissemination Policy at Geostat https://www.geostat.ge/media/20862/Microdata-Dissemination-Policy_Eng.pdf</p> <p>4. The Law of Georgia on Personal Data Protection https://matsne.gov.ge/en/document/view/1561437?publication=9</p>
7.2	Confidentiality – data treatment	<ul style="list-style-type: none"> • Confidentiality guidelines. • Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties. <p>Individual data, a list of enterprises by rating are not disseminated for privacy purposes. Additional control over confidentiality is applied while supplying detailed data: Information is considered confidential and is not subject of dissemination if data on country or economic sector is represented by 3 or less companies.</p>
8	Release policy	
8.1	Release calendar	Data dissemination dates are defined according to the Advance release calendar, which is available on the website of Geostat and publicly accessible.
8.2	Release calendar access	https://www.geostat.ge/en/calendar

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8.3	User access	All users have the equal access to the statistical data simultaneously.
9	Frequency of dissemination	Quarterly, annual.
10	Accessibility and clarity	
10.1	News release	Press Release on Foreign Direct Investments Trends in Georgia: https://www.geostat.ge/en/relationsOfCategory/191/post
10.2	Publications	FDI data is published in the Statistical Yearbook: https://www.geostat.ge/en/single-categories/95/statistical-yearbook
10.3	On-line database	FDI statistics are released as PC-Axis online database format: http://pc-axis.geostat.ge/PXWeb/pxweb/en/Database/
10.4	Micro-data access	Micro-data on FDI is not subject to dissemination.
10.5	Other	FDI statistics are published on the social network (Facebook) and through a special application for Android and iOS system mobile phones.
10.6	Documentation on methodology	Brief methodology "Brief Methodology and Practice of Calculation of FDI in Georgia" is available on the following link: https://www.geostat.ge/media/29305/FDI-Statistics_short-methodology.pdf Detailed methodology is available on the following link: https://www.geostat.ge/media/13372/OECD%20benchmark%20definition%20of%20FDI.pdf
10.7	Quality documentation	-
11	Quality management	
11.1	Quality assurance	To ensure the quality of the statistical processes and products Geostat follows Article 4 – Basic principles of official statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (QAF).
11.2	Quality assessment	Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit of statistical processes and assesses the risks associated with production of statistical data. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system.
12	Relevance	
12.1	User needs	National Bank of Georgia (NBG) is the main user of FDI statistics. Data by components according to the balance of payments, international investment position and external debt statistics requirements is provided to NBG no later than 70 days after the end of the reporting period according to the agreed memorandum. Government, state agencies, municipal authorities, international organizations, scientific and educational institutions, mass media are also data users.
12.2	User satisfaction	In October 2019, user satisfaction survey was conducted, the target of the survey was to analyze the assessment of quality of

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		statistical data by users and explore ways to improve user services. The survey report is available on the website of Geostat (in Georgian): https://www.geostat.ge/ka/single-news/1746/statistikuri-informatsiis-momkhmarebelta-kmaqofilebis-gamokvleva-2019-tseli
12.3	Completeness	The data is relevant to the international standards.
13	Accuracy and reliability	
13.1	Overall accuracy	The calculation of FDI data is based on monthly financial statements (in the case of commercial banks) from relevant sources, as well as on quarterly and annual survey data. Additional editing and processing are applied by interviewers to the „Statistical Survey on External Economic Activities” questionnaire in case of wrong and incomplete answers from respondents’ side. Data entry into the computer also takes place (if the enterprise presents a printed questionnaire).
13.2	Sampling error	Statistical survey on external economic activities is conducted with full coverage and there are no sampling errors.
13.3	Non-sampling error	-
14	Timeliness and punctuality	
14.1	Timeliness	Preliminary data are published quarterly, on the 70 th day after the end of the reporting period. Preliminary annual data is generated by summing up data of four quarters. Additional adjustment takes place on the basis of annual survey data on August 15 of the next year. The data will be disseminated on the following business day in case of information release date coincides with the day off.
14.2	Punctuality	The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.
15	Coherence and comparability	
15.1	Comparability – geographical	Data by geographical breakdown is comparable.
15.2	Comparability – over time	Comparable – FDI dynamic data series are compiled according to the same methodology, ensuring their comparability over time.
15.3	Coherence – cross domain	The data is coherent.
	Coherence – internal	The data is coherent.
16	Cost and burden	The budget for the survey on external economic activity in 2020 was GEL 224.9 thousand. Online questionnaires have been developed with the maximum possible automatic calculations and controls in order to reduce respondents' workload. A special question about the time taken to complete the questionnaire also exists.
17	Data revision	
17.1	Data revision – policy	Statistical data revision policy is available on the website of Geostat: https://www.geostat.ge/media/20863/Revision-policy_Geostat_Eng.pdf
17.2	Data revision – practice	Released data for the previous quarters of the current year could be revised when disseminating data of reference quarter, while releasing annual data adjustment of dynamic data series for the previous 5 years is possible (according to

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		recommendations of International Monetary Fund).
18	Statistical processing	
18.1	Source data	The main source of FDI data is a statistical survey on External Economic Activities of enterprises conducted by Geostat. In addition, information about entities privatized by non-residents is obtained from the Ministry of Economy and Sustainable Development of Georgia and from the Ministry of Finance and Economy of Adjara Autonomous Republic. National Bank of Georgia (NBG) collects, processes and submits information on FDI in the financial corporations of Georgia, such as commercial banks, insurance companies, and microfinance organizations under the supervision of NBG.
18.2	Frequency of data collection	Monthly (in case of commercial banks), quarterly and annual.
18.3	Data collection	Survey on external economic activities is conducted through online questionnaires. Data collection from commercial banks is performed by National Bank on the basis of monthly financial statements.
18.4	Data validation	An interviewer is obliged to verify the online questionnaire submitted by an enterprise while conducting a survey on external economic activities and to ensure proper and complete filling (editing and data entry into the computer) out the relevant electronic questionnaires in case data is provided in another form (printed version, etc.). Heads of regional offices of Geostat are required to control the quality of completed questionnaires during field work. Staff of the Foreign Investments Statistics Division provides monitoring of the database after the field work is completed. The process involves arithmetic as well as logical control. A web application (the so-called internal questionnaire) has been created to monitor and clean the database. Software-based controls ensure detection and correction of inaccuracies in submitted questionnaires. In addition, the validity of major transactions recorded during the reporting period is verified by contacting directly accountable entities.
18.5	Data compilation	Foreign Direct Investment is compiled in accordance with the international methodology. The value of FDI is calculated by three main components (equity, reinvestment, debt instrument), by the share of non-residents and by their operations based on the information obtained from Statistical Survey on External Economic Activities of enterprises. Additionally data is supplemented by information about foreign direct investment in the financial sector obtained from National Bank of Georgia, as well as data on non-resident property acquired through the privatization process. Since March 2018 the Geostat started compiling FDI data in an integrated format also which, along with flows, provides a reflection of stocks. https://www.geostat.ge/media/29305/FDI-Statistics_short-methodology.pdf
18.6	Adjustment	-
19	Comment	-