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Sales of BMW Group electrified vehicles top 50,000

See on p. 4

US's Trump Says Military Option Not Ruled Out for Venezuela

See on p. 13



14 August, 2017

News Making Money

<http://www.finchannel.com>

In many ways, Muslim men and women see life in America differently

The FINANCIAL -- While many Muslims express wariness and anxiety about aspects of their lives in the United States, Muslim women tend to be more pessimistic about their place in U.S. society than Muslim men.

According to a new Pew Research Center survey, more Muslim women than men say it has become more difficult to be Muslim in the U.S. in recent years (57% vs. 43%).

Continued on p. 8

Weekly Market Watch

By Galt & Taggart

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Young people in the EU: education and employment

The FINANCIAL

Almost 90 million people aged 15-29 live in the European Union (EU). This represents 17% of its population. The personal circumstances of young people in the EU are often very different, with education and employment patterns varying considerably between Member States and by age group.

Our news item marks International Youth Day.

Between the ages of 15 and 29, a significant shift from the world of education to the world of employment occurs in the lives of young adults. While a vast majority of those in the 15-19 age group in 2016 was in education, the opposite was true for those aged 25-29. Most of them were in employment. In-between, young people aged 20-24 were relatively evenly distributed

between being in education and employment.

Moreover, the proportion of young people neither in employment nor in education or training (NEET) increases considerably with age. The NEET rate, which stood at 6.1% for the age group 15-19 in 2016, tripled to 18.8% for those aged 25-29.

Continued on p. 17

UK household wealth rises to over £10 trillion

See on p. 13

Europe Affluent and Their Cars: the Unexpected Truth

The FINANCIAL

Affluent who own 4+ cars are the ones who get most out of life. Luxury car owners are not by definition the happiest in life.

Affluent who own 4+ cars are the ones who get most out of life.

Latest research shows that the biggest petrol heads among Europe's Affluent get the most fun out of life! Affluent individuals who own 4 or more cars, there are 807,000 according to Ipsos Affluent Europe 2017, not only get more out of life, they love their job and travelling (87%, 77%, 86%).

Continued on p. 12

CURRENCIES

	Aug 12	Aug 5
1 USD	2.3902	▲ 2.3910
1 EUR	2.8125	▲ 2.8393
100 RUB	3.9724	▼ 3.9548
1 TRY	0.6721	▲ 0.6765

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14 August, 2017

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G-Force Premium	2.15	Eko Super	2.30	Euro Super	2.19	Nano Super	2.29	Euro Super	2.30
G-Force Euro Regular	2.07	Eko Premium	2.18	Premium Avangard	2.09	Nano Premium	2.16	Elix Euro Premium	2.15
Euro Regular	1.97	Eko Diesel	2.04	Euro Premium	0.09	Euro Regular	1.96	Euro Regular 93	1.94
G-Force Euro Diesel	1.99	Euro Diesel	2.00	Euro Regular	1.89	Nano Euro Regular	1.96	Elix Euro Diesel	2.02
Euro Diesel	1.89	Euro Regular	1.99	Euro Deasel	1.89	Nano Diesel	1.87	Euro Diesel	1.94
CNG	1.45	Diesel Energy	1.90			GNG	1.44		



How To Live The American Dream Attending Bachelor Parties Adds Up - to More Than a Third of a Down Payment on a Home



The FINANCIAL -- Destination bachelor and bachelorette parties are becoming the new norm for many millennials who prize experience and grew up with The Hangover's depiction of pre-wedding adventure. However, those who attend just nine of these trips in a lifetime will have spent up to \$13,788, or 34 percent of a down payment on the median U.S. home, according to a new Zillow report.

Most (69 percent) millennials say owning a home is necessary to live The American Dream. Yet saving money for a down payment is often their biggest barrier to homeownership. To help first-

time buyers, Zillow calculated how much cash is needed for a 20 percent down payment on a home, and how much of it may be going toward bachelor or bachelorette parties instead.

A destination bachelor party costs on average \$1,532 (\$1,106 for a bachelorette), according to wedding website The Knotii. If the average person attends nine parties in a lifetime, or three a year for three years, they will have spent up to 34 percent of the cash needed for a down payment on the median home.

In some metros like Cleveland and Pittsburgh, millennials can spend up to half (51 and 50 per-

cent, respectively) of their future home's down payment on bachelor parties and well over a third of a down payment on bachelorette parties. However, in hot and expensive markets like San Jose or San Francisco, nine destination bachelor parties equates to only 5 or 6 percent, respectively, of the down payment on the median-priced home.

Bachelor and bachelorette parties are not the only expense associated with attending a wedding. On average, bridesmaids and groomsmen spend an additional \$1,154 for things like wedding day attire, a gift for the bride and groom, as well as travel and

accommodations for the wedding day. Guests not in the bridal party still pay \$888, on average, to attend each wedding.

"Buying a home is one of the most expensive purchases someone will ever make, and for most first-time buyers that means years of saving money to afford a down payment," says Jeremy Wacksman, Zillow chief marketing officer. "Attending your friends' bachelor or bachelorette parties can be a trip of a lifetime. While everyone's budget and priorities are different, big ticket expenses like vacations can add up surprisingly quickly -- a lot faster than a \$19 avocado toast."

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Sales of BMW Group electrified vehicles top 50,000



The FINANCIAL -- The BMW Group had its best July ever, with sales in the month totalling 180,726, a 0.4% increase year-on-year. The company also sold more vehicles than ever before in the first seven months of the year with a total of 1,401,551 (+4.3%) vehicles delivered to customers around the world.

"Following a record first half-year, our sales in July remain at a very high level, with profitability our primary focus," said Dr Ian Robertson, Management Board Member for Sales and Brand BMW. "Despite continuing headwinds in the USA, as well as the model changeover of the BMW X3 and the BMW 5 Series in China, we were still able to achieve last year's high sales levels, due to our policy of balanced global sales growth. Sales of our electrified vehicles continue to develop extremely well, with all nine of our electrified cars playing their role in this success," he continued.

July saw yet another milestone for the BMW Group's unmatched range of electrified vehicles: more than 50,000 BMW i, BMW iPerformance and electrified MINI vehicles have been delivered to customers around the world since the start of the year. The BMW Group now has a total of nine electrified automobiles on the market: sales of these vehicles totalled 50,711 in the first seven months of the year, an increase of 74.8% on the same period last year. This makes the BMW Group the world's 3rd biggest BEV/PHEV manufacturer. The BMW i3 is the best-selling compact battery-electric vehicle in the Premium Segment worldwide since 2014, with the sales curve showing a clear upward trend, according to the BMW Group.

Global BMW brand sales in July were at last year's extremely high level. A total of 153,511 (+0.1%) BMW automobiles were delivered to customers around the world. The first seven months of the year were the most successful ever for the brand with 1,191,547 vehicles sold, an increase of 4.5%. A wide range of models throughout the portfolio contributed to this growth. The BMW X family continues to be a major growth driver - despite the current model changeover of the BMW X3 - with overall BMW X sales up 15.4% (407,492). The BMW 1 Series (107,460 / +8.5%) and BMW 7 Series (37,159 / +21.9%) also achieved notable growth. Meanwhile in July, the new BMW 5 Series achieved sales

growth of 34.9% (17,712) in markets excluding China. The BMW 5 Series is currently in model changeover in China, where BMW 5 Series sales in July are down 47.2% (6,766) year-on-year.

Sales of MINI brand vehicles also continued to grow in July, with 26,974 units delivered to customers around the world, an increase of 2.0% compared with the same month last year. In the first seven months of 2017, a total of 208,188 MINI vehicles were sold, an increase of 3.4% year on year. The MINI Convertible (21,248 / +23.4%) and MINI Clubman (34,086 / +6.5%) showed very positive sales growth in the year to date. The new MINI Countryman was the main growth driver with sales up 33.5% (6,810) in July.

In July, BMW Motorrad once again achieved an all-time high with 14,835 motorbikes and maxi-scooters delivered to customers. This was an increase of 7.6% compared to the previous year. With 103,224 units delivered in the first seven months of the year and an increase of 9.2% compared to the same period last year, BMW Motorrad is well on its way to a further record sales year in 2017.

BMW & MINI sales in the regions/markets at a glance

With an increasingly volatile economic situation in several markets, the BMW Group continues to follow its policy of balancing sales around the world, in order to achieve profitable, sustainable growth.

Headwinds in the significant UK market led to a slight decrease in sales in Europe in July, but sales in the region in the year to date remain slightly above the very high level of last year, with growth of 1.7%. France (51,569 / +3.6%) and Spain (35,731 / +8.9%) were two of the regions more significant growth drivers.

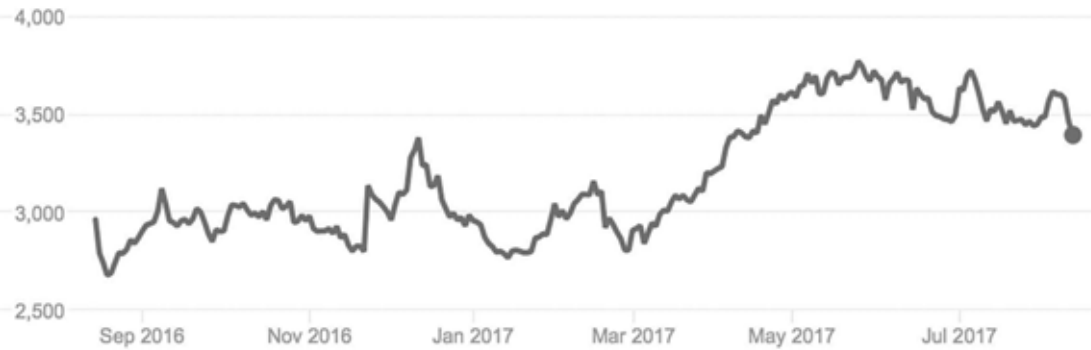
BMW Group sales in Asia continue to grow this year, driven mainly by China, where combined BMW and MINI deliveries are up 17.0% in the first seven months of the year.

The downturn in the US automotive market is reflected in the BMW Group's figures for the Americas, which in the year to date are 3.5% below last year's level.

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LON: BGEO - Aug 11, 5:02 PM GMT+1

3,411.36 GBX ↓58.64 (1.69%)

1 day 5 day 1 month 3 month 1 year 5 year max



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High 3,425.92
Low 3,366.92

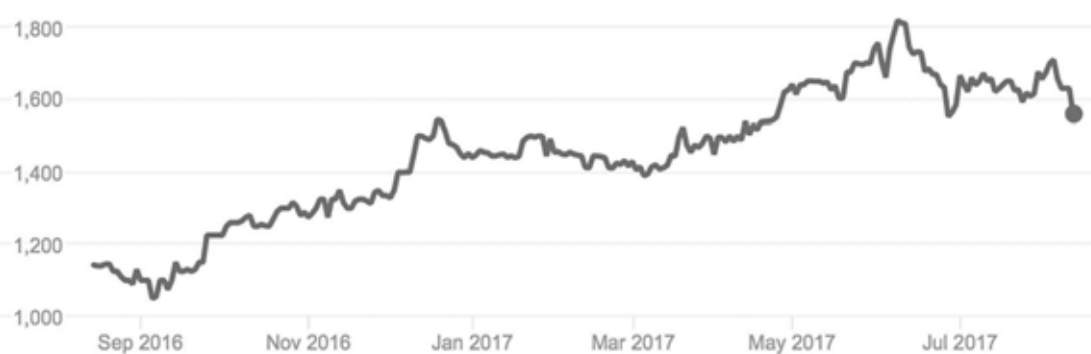
Mkt cap 1.44B
P/E ratio 9.94
Div yield -

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TBC Bank Group PLC
LON: TBCG - Aug 11, 5:07 PM GMT+1

1,560.00 GBX ↓70.00 (4.29%)

1 day 5 day 1 month 3 month 1 year 5 year max



Open 1,593.00
High 1,638.00
Low 1,520.30

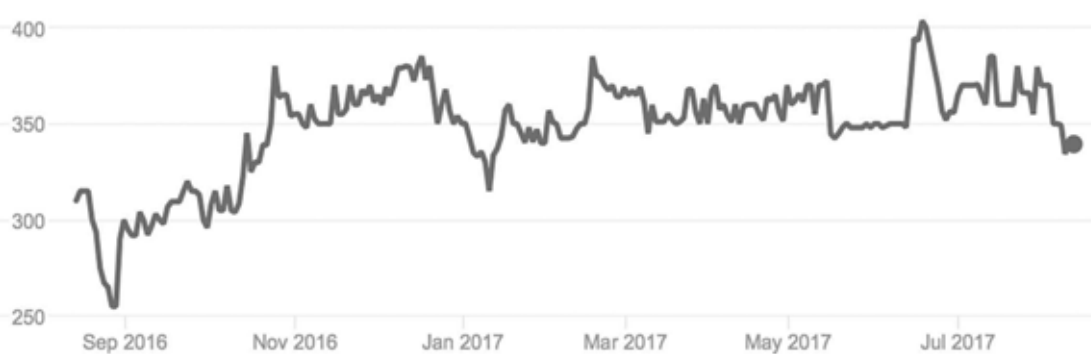
Mkt cap 910.39M
P/E ratio 7.52
Div yield -

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Georgia Healthcare Group PLC
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340.00 GBX 0.00 (0.00%)

1 day 5 day 1 month 3 month 1 year 5 year max



Open 340.00
High 340.25
Low 340.00

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Asia is the fastest growing tourist market globally

Malta and Cyprus lead the way for growth in tourist arrivals in the Eurozone

The FINANCIAL

Tourism is particularly important for peripheral economies in the Eurozone, such as Malta and Cyprus, according to new analysis from PwC. The latest Global Economy Watch found tourists' expenditure in Malta was equivalent to 13% of total GDP, compared to 5% in Spain and 2% in Italy.

In 2016, travel and tourism supported 109 million jobs and generated \$2.3 trillion globally, roughly equivalent to the size of the Indian economy, according to data from The World Travel & Tourism Council (WTCC). Tourism's share of global economic output rose to more than 3% last year.

"Despite political instability in numerous parts of the world, the tourism industry's resilience is clear - it has outpaced global GDP growth for the sixth consecutive year", Barret Kupelian, senior economist at PwC, commented.

"For many of us holiday season means airports, hotels and hopefully sunshine, but it's also a crucial part of the economy and can generate big business. This is particularly true for some of the peripheral Eurozone



economies like Greece, Spain and Cyprus."

PwC analysis suggests peripheral Eurozone economies will experience a bumper year for tourism this summer. Using the latest monthly arrivals data, PwC economists calculated the year on year change in tourists in the peripheral economies, then applied this growth rate to the annual

number of tourists. Using this method, four out of the top five tourism reliant economies can expect substantially higher number of tourists in 2017 if current trends continue.

Malta and Cyprus experienced double-digit growth in tourist arrivals in June (19% and 12% respectively), as compared to 12 months ago, and Cyprus is expected to see an

all-time high in the number of tourists visiting this year. Using the same approach, Spain could see its tourist numbers increase by 12%, followed by Portugal and Greece (8% and 7% respectively), assuming there are no immediate supply side constraints.

"We think low cost carriers across Europe have helped sustain strong tourism numbers. Both oil prices

and unit labour costs have remained generally low in recent years, leading to higher profits and increased seat capacity for low cost carriers."

However, despite country specific success stories like Malta and Cyprus, data suggests that the Eurozone market is relatively saturated, with Asia the fastest growing tourist market globally.

Few see EU as world's top economic power despite its relative might

The FINANCIAL

The European Union ranks as the world's second-largest economy by gross domestic product, but few people globally see it as an economic leader ahead of China or the United States, according to a recent Pew Research Center survey.

Across the 38 nations in the survey, a median of just 9% view the countries of the EU as the world's leading economic power. By comparison, 42% name the U.S. and 32% name China, while an additional 7% name Japan.

Even in the 10 EU countries included in the survey, a median of only 9% see the EU as the world's top economy. By contrast, 42% name China and 38% name the U.S., with an additional 7% naming Japan. (Europe is the only region globally where more people today see China than the U.S. as the world's leading economy.)

The comparatively low international rating of the EU's economy comes despite its economic power - at least as measured by gross domestic product in purchasing power parity dollars (i.e., exchange rates



adjusted for differences in the prices of goods and services across countries). By this measure, EU member countries collectively generated \$20.3 trillion in GDP. The EU trails only China and ranks ahead of the U.S. and Japan.

As recently as 2014, the EU outranked all other countries in terms of GDP, but even then, few people globally cited it as the world's top economy, according to earlier Pew

Research Center surveys.

The country most likely to name the EU as the world's top economy in the new survey is Germany, itself the world's fifth-largest economy by GDP. Still, only one-in-four Germans say the countries of the EU are the world's leading economic power, compared with 41% who name China and 24% who name the U.S.

The only other European countries where one-in-ten people or

more see the EU as the world's top economy are the Netherlands (13%) and Poland (10%). Outside of Europe, other countries where at least one-in-ten name the EU include Jordan (15%), Tunisia (15%), Colombia (14%), Vietnam (14%), Canada (11%), Mexico (11%), Tanzania (11%) and South Africa (10%).

Only 3% of Italians see the EU as the top economy, while a slightly larger share (7%) name Japan and

about four-in-ten each say the U.S. or China. And just 5% of Greeks cite the EU or Japan as the leading economy, while 39% name China and 44% say the U.S. No more than 5% of Italians or Greeks have ever named the EU as the world's leading economy since the question was first asked in these nations in 2012.

Countries outside the EU where 5% of people or fewer say the EU is the leading economy include Nigeria (4%), Lebanon (3%), Senegal (3%), South Korea (3%) and India (2%).

While few Europeans see the EU as the world's top economy, Americans are far more positive about the status of their own economy. About half of Americans (51%) say the U.S. is the world's top economic power, even though the U.S. ranks below the EU when it comes to GDP. (On a per capita basis based on purchasing power parity dollars, however, the U.S. outranks the EU, as well as China and Japan.)

The Japanese, much like Europeans, tend not to see their own country as the world's top economic power. Just 7% of Japanese say this, and Japan does in fact rank behind China, the EU and the U.S. in GDP.



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In many ways, Muslim men and women see life in America differently



The FINANCIAL -- While many Muslims express wariness and anxiety about aspects of their lives in the United States, Muslim women tend to be more pessimistic about their place in U.S. society than Muslim men.

According to a new Pew Research Center survey, more Muslim women than men say it has become more difficult to be Muslim in the U.S. in recent years (57% vs. 43%).

And Muslim women are more divided on their acceptance by society at large than are men. Half (52%) of Muslim women say they have a lot in common with most Americans and 44% view the American people as friendly toward Muslim Americans, compared with two-thirds of Muslim men who say each of these things.

Muslim women also express more apprehension than men about anti-

Muslim discrimination. Eight-in-ten Muslim women (83%) say there is a lot of discrimination against Muslims, compared with a smaller share of men who say this (68%). In fact, about half (55%) of women say they have experienced at least one of several specific types of anti-Muslim discrimination in the past year. These incidents include having been treated with suspicion, called offensive names, singled out by airport security or other law enforcement, or physically threatened or attacked. Fewer men (42%) say they have personally experienced one of these types of anti-Muslim discrimination in the past year.

Muslim women also are more likely than men to say they stand out in society due to their physical appearance. While some Muslim men (27%) say there is something distinc-

tive about their appearance, voice or clothing that people might associate with being Muslim, a much greater share of women (49%) say there is something distinctively Muslim about the way they look. This could in part explain why Muslim women are more likely than men to say they have experienced discrimination. Six-in-ten (64%) Muslims whose appearance identifies them as Muslim have experienced discrimination compared with 39% among those who are not easily identifiable as Muslim.

The survey also finds that women are much more likely than men to perceive unfriendliness from many groups in society, including about seven-in-ten (69%) Muslim women who say the Republican Party is unfriendly toward Muslims and eight-in-ten (81%) who say President Donald Trump is unfriendly to them. By

contrast, only 49% and 68% of Muslim men think the Republican Party and Trump, respectively, are unfriendly toward Muslim Americans.

Muslim women also are more concerned than men about the treatment of U.S. Muslims by some American institutions. For example, a majority (68%) of Muslim women also say that media coverage of Muslims is unfair, compared with 52% of men.

But there are some bright spots for Muslim women. Roughly half (56%) of women say that someone has expressed support for them because of their religion, greater than the share of men who say this (42%). And Muslim men and women are equally likely to say they are satisfied with the way things are going in their lives and that they are proud to be American.

Carmaker Renault Signs 660 Million-Euro Deal With Iran

The FINANCIAL -- French automaker Groupe Renault has signed a long-awaited joint-venture deal with Iran worth 660 million euros (\$780 million).

The deal is expected to create about 3,000 jobs for the two Iranian companies involved -- the state-run Industrial Development and Renovation Organization, and the privately-owned Parto Negin Naseh Group, which imports Renault products to Iran, according to RFE/RL.

A refurbished plant, located in Saveh, 120 kilometers southwest of Tehran, will produce Duster and Symbol cars, adding 150,000 vehicles annually to the Iranian market above Renault's already existing capacity of 200,000 vehicles a year in Iran.

The deal comes two years after Iran and global powers reached a deal to curb Tehran's uranium-enrichment program, easing concerns that it could develop nuclear weapons and leading to the removal of UN and European Union sanctions.

Unlike its chief competitor PSA, which makes Peugeots and Citroens, Renault never fully quit Iran during the years when sanctions were in place.

The first cars under the new deal are to roll off the assembly line in around 18 months. A second, three-year phase will start in 2019 with production expected to ramp up to 300,000 cars per year.

Renault, a majority shareholder with a 60 percent share in the deal, will have its own distribution network in Iran for the first time.

"This joint venture will enable an acceleration of our growth in this country," Renault executive Thierry Bollere said.

At the signing ceremony in Tehran, Iranian Industry Minister Mohammad Reza Nematzadeh said the deal would "establish a research and development center for designing" in the country.

Iran produces about 1,350,000 vehicles a year. There are around 30 car manufacturers in Iran, most of which locally assemble Chinese and Korean cars.

PSA, which quit the country when international sanctions hit in 2012, has been quick to rebuild its presence in Iran, which was the company's main engine of growth last year.

It signed a 400 million-euro (\$428 million) deal in June 2016 to build 200,000 Peugeots a year in the country.

Overall production in Iran is expected to reach 2 million cars a year by 2020, up from 1.2 million in 2016.

French firms have been at the forefront of rebuilding trade ties with Iran since the nuclear deal, with energy giant Total signing a billion-dollar gas deal last month despite mounting pressure from the United States to isolate the country.

Russia Nominates Germany's Ex-Chancellor Schroeder For Rosneft Board

Russia's government has nominated Germany's former chancellor, Gerhard Schroeder, to join the board of the Russian state-owned energy giant Rosneft.

The nomination is one of seven presented in a decree signed by Russian Prime Minister Dmitry Medvedev and published on the Russian government's website late on August 11.

Schroeder, who has called Russian President Vladimir Putin a close friend, was nominated as a non-executive director of Rosneft.

His candidacy was put forward as Rosneft plans to increase the number of board directors from nine to 11, according to the government website.

Schroeder currently serves as chairman of the shareholders' committee of Nord Stream AG, a Gazprom-led consortium established for the construction of a pipeline meant to carry Russian natural gas across the Baltic Sea and into Germany.

Rosneft has been targeted by Western sanctions over Russia's



seizure and illegal annexation of Ukraine's Crimea region and its support for pro-Russia separatists in eastern Ukraine.

Schroeder, a Social Democrat who

was German chancellor from 1998 to 2005, celebrated his 70th birthday with Putin at St. Petersburg's Yusupov Palace in April 2014 as the crisis over Ukraine was deepening.

Schroeder has publicly opposed the sanctions placed on Rosneft.

Based on reporting by Reuters, AFP and RFE/RL.

With reporting by AP and AFP

In U.S., Young Adults Report Spending Less Than in the Past



The FINANCIAL -- Young adults seem more hesitant to spend than did people of the same age group nine years ago. Among 18- to 29-year-olds, daily spending self-reports averaged \$74 in 2016, down sharply from an average of \$93 in 2008. Spending reports of other age groups were similar in 2008 and 2016.

The results are based on analysis of Gallup U.S. Daily tracking data. It compares 2008 to 2016 (rather than 2017 year-to-date) to ensure seasonal patterns in spending do not bias the estimates.

Since 2008, Gallup has asked U.S. adults to report how much they spent "yesterday." The measure, based on more than 175,000 interviews annually, gives an indication of discretionary spending. The full question wording is: "Next, we'd like you to think about your spending yester-

day, not counting the purchase of a home, motor vehicle or your normal household bills. How much money did you spend or charge yesterday on all other types of purchases you may have made, such as at a store, restaurant, gas station, online or elsewhere?"

Healthy consumer spending is key to sustaining the U.S. economy, and a slowdown among a key demographic group -- one often coveted by advertisers -- can hamper economic growth.

U.S. adults' self-reports of spending were relatively high in 2008 before falling sharply in 2009 after the financial crisis and as unemployment rose. Americans' reported spending remained low until late 2012 and has gradually increased since then, to the point that the average recorded in 2016 (\$92) nearly matched the average in 2008 (\$96). So far in 2017,

spending is on pace to match or exceed the 2008 average.

But spending among young adults has not recovered as it has for other age groups. Young adults' spending is now similar to that of senior citizens, many of whom live on a fixed income. Spending usually is highest among middle-age groups, who tend to be in their peak earning years and may be spending more to support young children.

Some possible reasons that young adults may be spending less now than in 2008 are:

Many young adults may not have found a job that pays well enough to support a higher level of spending. Indeed, an average of 2016 Gallup polls found 45% of 18- to 29-year-olds saying they were employed full time, compared with 48% in 2008.

Continued on p. 10

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financial news

48.37% Passenger Traffic Increase and 32.47% Freight Traffic Increase Recorded in Georgian Airports



The FINANCIAL -- Civil Aviation Agency of the Ministry of Economy and Sustainable Development of Georgia announces that during the 7 months of this year, Georgian airports served 2 129 121 passengers, which is by 48.37% (694 153 passengers) higher number compared to the same period of the previous year (1 434 968 passengers).

Compared to the same period of 2015, the increase amounts to 81.89% (958 577 passengers), according to Ministry of Economy and Sustainable Development of Georgia.

The traffic increase was recorded in all three Georgian international airports as follows:

During the first 7 months of 2017, Tbilisi International Airport served by 503 636 passengers more (1 658 366 passengers in total) compared to the same period of the last year (1 154 730 passengers in total). Respectively, the growth equals to 43.62%;

Passenger traffic at Kutaisi International Airport is increased by 86.48%. During the first 7 months of 2016, it served 124 826 passengers while during the same period of this year, the passenger traffic volume reached 232 775 passengers (increased by 107 949 passengers);

Batumi International Airport served 233 992 passengers during the 7 months of this year, which is by

52.32% (80 369 passengers) higher indicator compared to the same period of last year (153 623 passengers).

Regarding the local destination airports the data is as follows:

Mestia Airport served 3 988 passengers during the 7 months of this year, which is by 2 199 passengers or 122.92% higher number compared to the same period of 2016;

Ambrolauri Airport has received passengers for the first time this year and their number already reached 802 from the middle of January until the end of July.

It is also very important that during the 7 months of the current year, in total 11 218 passenger and freight

flights (9 056 regular and 2 162 charter) were carried out in Georgia's airports, which is 41.66% (3 299 flights) higher indicator compared to the same period of the previous year.

In comparison with the same period of 2016, in 7 months of 2017 the usage of the Georgian airspace is increased by 15.25% (2016 - 69 863 flights, 2017 - 80 514 flights).

According to the data of 7 months of 2017, the growth was also recorded in terms of freight transportation. The volume of the cargo transported by air is 19 715.983 tons, which is by 4 832.60 tons or 32.47% higher number compared to the cargo transported during the same period of the previous year.

In U.S., Young Adults Report Spending Less Than in the Past

Continued from p. 8

Young adults who attended college may be burdened with high student loan debt.

Many young adults may have moved back in with family after college -- or never moved out -- decreasing their discretionary spending for certain services and product areas, such as household items.

Fewer young adults in 2016 reported being married (18%) than did so in 2008 (27%). Married couples, often having two incomes, tend to spend more than unmarried people. Notably, however, both married and unmarried 18- to 29-year-olds in 2016 reported spending significantly less than the same subgroups did in 2008.

Fewer young adults reported having children in 2016 (21%) than in 2008 (30%). Presence of children is a major predictor of spending. Because of changes in Gallup's survey, it is not possible to measure whether young adults with and without children spend less today than the comparable groups did in 2008.

A 2016 Gallup report found higher percentages of millennials (those aged 19 to 34) saying they were spending more than in the past on things they need -- like healthcare, utilities and groceries -- than on discretionary items like dining out, leisure and travel. Thus, the money that young adults do have appears to be going to bills and nondiscretionary items, leaving less for discretionary spending.

The 2016 report also found that millennials were more likely than older generations to engage in cost-saving measures like comparing prices online or buying used goods. Thus, even when millennials spend money, they may be spending less for the same goods than those in older generations are.

It does not appear that young adults are any more likely than their older peers to value saving over spending. Gallup asks U.S. adults each April whether they, personally, enjoy spending or saving more. Since the recession, preferences have shifted decidedly toward saving. But young adults' expressed preferences on saving versus spending are no different from those of older adults. This suggests that younger adults' lower average reported spending appears to result more from their economic circumstances than from their attitudes about spending money.

Two arrested in connection with Europe's 'toxic' eggs scandal, EU Commissioner calls for summit

Europe's food safety commissioner urged countries to stop "blaming and shaming" one another over a continental eggs contamination scare on Friday, according to CNBC. Tensions between agricultural ministers in the Netherlands, Belgium and Germany have risen after traces of a moderately toxic pesticide -- called fipronil -- were found in batches of eggs.

While Belgian regulators were criticized for not acting fast enough after the fipronil contamination was first reported, Belgium's agriculture minister argued on Wednesday that it had been the Dutch who were dragging their feet in response to the potentially harmful pesticide.

Two arrested in connection to egg



contamination scare

Meantime, two people were arrested in connection to Europe's lat-

est food scandal on Thursday, Dutch prosecutors said.

A joint Belgian-Dutch task force raided eight poultry farms in the Netherlands this week, according to the Netherlands' prosecution service, with two arrests made on in-

dividuals suspected of endangering public health.

Fipronil, which is banned by the EU's food industry, had been linked to a Dutch supplier of cleaning products by authorities.

Millions of eggs have been pulled from supermarket shelves across Europe since the scandal was reported by poultry farms in July. However, some national regulators have expressed concern that other products with the fipronil contamination, such as cakes and biscuits, had still not been withdrawn from sale.

The U.K.'s Food Standard's Agency (FSA) said Thursday that it estimated around 700,000 affected eggs from Dutch farms had been distributed to Britain.

While some products that used Dutch eggs have since been withdrawn from supermarket shelves in Britain, the FSA confessed that many of the items which included the toxic pesticide will now have been consumed.

Profitability increasing for China banks, digital banking and asset securitisation among key areas to watch, finds KPMG survey

The FINANCIAL

With the macroeconomic environment stabilising, the profitability of China's banking sector increased at an accelerated pace in 2016, finds KPMG's Banking Survey. It shows that the cumulative net profit of commercial banks in Mainland China reached RMB 1.6 trillion in 2016, an increase of RMB 5.64 billion, or 3.5 percent, over 2015. The growth rate increased by 1.1 percentage points.

"Due to the regulatory requirements for capital expansion and slower net profit growth, commercial banks' net profit grew at a slower pace than that of capital. Therefore, the average asset profit ratio and return on capital for commercial banks continued to decline over the past three years," says Edwina Li, Partner and Head of Financial Services Assurance at KPMG China.



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Roman Gotsiridze:

UNITED NATIONAL MOVEMENT MEMBER



“Rosneft violates the Law of Georgia on Occupied Territories whilst the Government of Georgia, in spite of the promises it made, has no reaction.”

Maia BAGHATURIA
FactCheck

United National Movement member, Roman Gotsiridze, in his speech before the Parliament of Georgia, stated: “The President of Rosneft and the so-called President of South Ossetia met each other in Sochi. They signed a memorandum which envisions launching Rosneft’s activities in the Tskhinvali region. You are well aware that Rosneft violated the Law of Georgia on Occupied Territories, carries out illegal work in Abkhazia and purchased 49% of the Poti terminal. With Rosneft’s already vast ownership of wealth on the territory of Georgia, the company arrogantly claims that it is going to violate the country’s legislation again. When Rosneft entered the country, the Government of Georgia made a promise that it would study the legal aspects of this act. A trilateral commission was established but two-and-a-half years have already passed since then. In fact, this commission has not prepared any kind of assessment at all. As a result, according to the information of our confidential source, Rosneft is now planning to purchase the control package of the Poti terminal’s shares.”

FactCheck took interest in the accuracy of the statement.

On 23 June 2017, a meeting was held between the head of Rosneft, Igor Sechin, and the so-called President of South Ossetia, Anatoli Bibilov. According to the agreements reached at that meeting, Rosneft will build several petrol stations in the Tskhinvali region. However, of note is that the aforementioned decision was made not in Sochi but at a meeting between the President of Rus-

sia, Vladimir Putin, and Anatoli Bibilov which was held in May 2017.

Rosneft has been operating on the territory of Georgia since 2009. Specifically, in 2009 the company concluded a contract to extract oil and natural gas with Rosneft being given a permit to conduct oil drilling work on Abkhazia’s continental shelf based on the agreement. At the same time, the company owns three petrol stations on the territory of occupied Abkhazia. FactCheck has previously written about this topic.

By doing so, Rosneft has been violating not only Article 5 and Article 6 of the Law of Georgia on Occupied Territories since 2009, which clarify that purchasing real estate or any other kind of economic (entrepreneurial or non-entrepreneurial) activities are prohibited and require a permit from the Government of Georgia, but Article 2 of Georgia’s Criminal Code as well which reads that economic activities on the occupied territories are punishable by a fine or imprisonment from three to five years. Additionally, the company violates the Law of Georgia on Maritime Space because Rosneft has been carrying out oil drilling work on the continental shelf within Georgia’s sovereign boundaries since 2010.

This fact, however, did not impede Rosneft from later continuing its activities on Georgian-controlled territory. Specifically, in December 2014, Rosneft purchased 49% of the shares of the Petrocas Energy Group with the intention of establishing a joint venture with the company. This contract covers the Poti oil terminal and Gulf petrol stations. Petrocas Energy Limited is one of the largest oil companies operating in Georgia, importing fuel from Europe and supplying it to petrol stations in the coun-

try. The company owns oil terminals in Poti and a network of petrol stations. Of note is that information about the contract concluded between Rosneft and Petrocas is not registered in the National Agency of Public Registry. Presumably, the contract was concluded between the companies registered in off-shores.

Of further mention is that the head of Rosneft, Igor Sechin, is believed to be one of Vladimir Putin’s allies whilst as a result of the Russian annexation of Crimea, the USA has imposed sanctions personally against him.

Rosneft’s purchase of 49% of the Petrocas Energy Group’s shares spurred great controversy in Georgia, both in the opposition as well as in civil society. The then Minister of Economy, Giorgi Kvirikashvili, stated that he did not welcome the contract signed with the Russian state company and a trilateral commission would be established under his ministry’s leadership with the involvement of the Ministry of Justice and the Ministry of Foreign Affairs in order to study the legal aspects of the deal. FactCheck tried to determine what results were produced after two-and-a-half years following the establishment of this commission by checking with the aforementioned ministries. No information could be found at the Ministry of Economy or the Ministry of Foreign Affairs whilst the issue could not even be confirmed with the Ministry of Justice.

In regard to Rosneft’s purchase of the Poti terminal’s control package, FactCheck contacted the Petrocas Energy Group to verify the information. The company believes that at this moment it is not expedient to make the information public as concerns this issue.

CONCLUSION

ROSNEFT HAS BEEN VIOLATING THE LAW OF GEORGIA ON OCCUPIED TERRITORIES AS WELL AS GEORGIA’S CRIMINAL CODE AND THE LAW OF GEORGIA ON MARITIME SPACE SINCE 2009. SINCE 2014, THE COMPANY HAS BEEN CARRYING OUT ACTIVITIES ON GEORGIAN-CONTROLLED TERRITORY AND PURCHASED 49% OF COMPANY SHARES THEREIN. A COMMISSION, ESTABLISHED BY THE MINISTRIES OF ECONOMY, JUSTICE AND FOREIGN AFFAIRS, WAS SUPPOSED TO STUDY THE LEGAL ASPECTS OF THE SELLING OF THE AFOREMENTIONED SHARES. NO INFORMATION CAN BE FOUND WITHIN THESE MINISTRIES, HOWEVER, IN REGARD TO THE ESTABLISHMENT OR THE ACTIVITIES OF SUCH A COMMISSION.

ROSNEFT IS GOING TO VIOLATE THE LAW OF GEORGIA ON OCCUPIED TERRITORIES ONCE AGAIN IN 2017 BY OPENING SEVERAL PETROL STATIONS ON THE TERRITORY OF THE OCCUPIED TSKHINVALI REGION.

IN REGARD TO THAT PART OF ROMAN GOTSIRIDZE’S STATEMENT WHERE HE TALKS ABOUT ROSNEFT’S PURCHASE OF THE CONTROL PACKAGE BASED ON A CONFIDENTIAL SOURCE, WE CAN NEITHER PROVE NOR REJECT IT. THE PETROCAS ENERGY GROUP SAYS THAT PUBLIC STATEMENT ABOUT THIS TOPIC IS NOT EXPEDIENT AT THIS MOMENT.

FACTCHECK CONCLUDES THAT ROMAN GOTSIRIDZE’S STATEMENT IS TRUE.

TRUE



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Europe Affluent and Their Cars: the Unexpected Truth



Affluent who own 4+ cars are the ones who get most out of life. Luxury car owners are not by definition the happiest in life.

The FINANCIAL

Affluent who own 4+ cars are the ones who get most out of life.

Latest research shows that the biggest petrol heads among Europe’s Affluent get the most fun out of life! Affluent individuals who own 4 or more cars, there are 807,000 according to Ipsos Affluent Europe 2017, not only get more out of life, they love their job and travelling (87%, 77%, 86%).

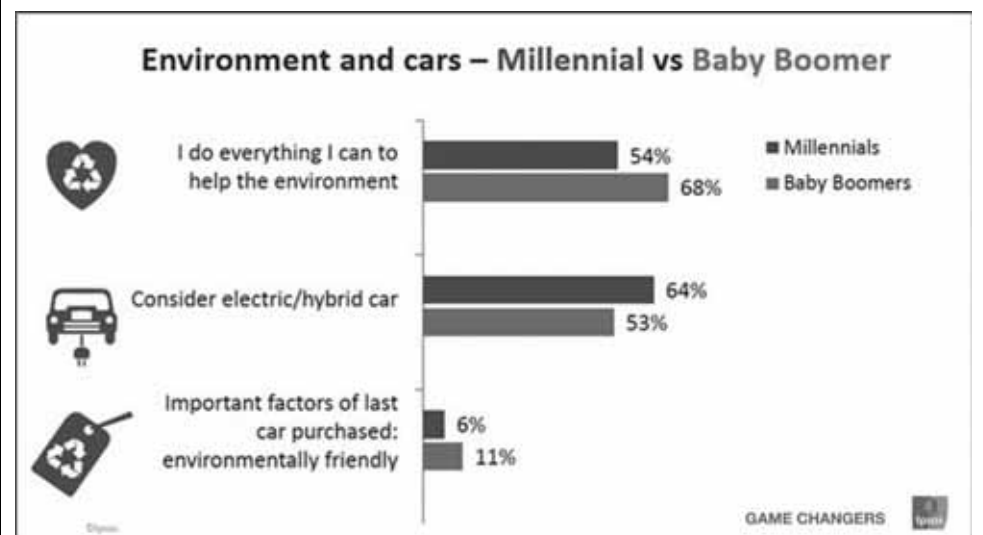
Luxury car owners are not by definition the happiest in life

You might think that the Luxury car brand owners, owners of brands such as Aston Martin, Lamborghini, would be pretty pleased with their lives! But while they are quite content with life in general (85%),

work (59%) and travel (73%) is less attractive for them.

Baby Boomers potentially best market for environmentally friendly cars

Baby Boomers are the biggest market for new cars: 2.3 million Affluent Baby Boomers consider purchasing a new car in the next 12 months. There are more of them and they have more money to spend than Millennials. However, it seems that the automotive industry has done a poor job promoting hybrid / electric cars to the more mature car buyers. Baby Boomers are less likely than Millennials to consider purchasing an electric or hybrid car (53% vs. 64%). However, they are more environmentally aware than their younger counterparts (68% vs 54%) and they more often consider a car being environmentally friendly is key to purchasing compared to Millennials (11% vs. 6%). A great opportunity for a car brand able to clearly articulate the benefits!



GAME CHANGERS

UK household wealth rises to over £10 trillion

The FINANCIAL

Research from Lloyds Bank Private Banking shows that the total household wealth in the UK reached an estimated £10.5 trillion in 2016. This is an increase of £892 billion (or 9%) from £9.6 trillion in 2015. The past decade has seen wealth held by households increase by £3.9 trillion (59%) from £6.6 trillion in 2006.

The increase of £3.9 trillion in household wealth is equivalent to £143,059 per household since 2006. This means the value of household wealth has grown faster (59%) than both the Retail Price Index (up 33%) and gross household disposable income (up 37%) in the past decade.

Both housing and financial assets grow strongly in the past year

Average house prices rose by 4.9% during the year and an additional 183,000 homes were added to the stock of private properties (both owner occupied and those in the private rental sector). This resulted in housing wealth contributing an estimated £431 billion to the overall increase in wealth - accounting for 48% of the total rise.

Having fallen in importance relative to financial wealth over much of the past 10 years, the contribution of

housing wealth in the household portfolio mix has edged up in the past year from 41% to 42% in 2016. The proportion accounted for by financial assets is 58%.

The total value of financial assets (such as bank and building society deposits, government bonds, shares in companies, life assurance and pensions) held by households increased by a similar amount - £461 billion or 8% - in 2016. In previous years, the value of financial wealth has been driven by growth in the value of equities held by households in life assurance and pension fund reserves, which in 2016 grew by just 10%.

"For many people, their overall wealth is locked up in assets that they hold for the longer term like their homes, their pensions, ISAs and investments. With rising house and equity prices, net worth has increased substantially in the past decade, growing by £143,000 per household on average. Increasing levels of wealth are clearly positive for households, but with recent changes, like pensions freedoms, it also highlights the increasing importance of proper financial planning, especially as people approach and move into retirement," Sarah Deaves, Private Banking Director at Lloyds Bank, commented.

A decade of wealth accumulation generated by rise in value

of financial assets

Over half (57% or £2.2 trillion) of the £3.9 trillion rise in household wealth since 2006 is accounted for by financial assets, which have grown by one-and-a-half times in value from £3.9 trillion to £6.1trillion. Life assurance and pension funds make up over three-quarters (77%) of households' total financial assets, and a further 21% is in the form of deposits held with financial institutions.

During this period the market value of pensions has grown by £1.5 trillion (or 65%) to £4.0 trillion whilst the value of equities and investment funds has grown by £31.3 billion (5%) to £687 billion.

The increase in housing wealth has been driven by the £1.7 trillion rise in the value of the national private housing stock from £2.6 trillion in 2006 to £4.4 trillion in 2016. This rise, in turn, has been driven by growth in both average house prices - 51% higher than in 2006 - and the number of privately owned homes - which grew by 9% from 21.5 million in 2006 to 23.4 million in 2016.

While the value of the housing stock has increased substantially, growth in mortgage debt has slowed sharply since 2008. Mortgage debt in 2006 and 2007 grew at an average annual rate of £106 billion (11%), but since then the annual rate has declined to just £16 billion (1%).

US's Trump Says Military Option Not Ruled Out for Venezuela

WASHINGTON (Alliance News) - The US has not ruled out a military option for dealing with Venezuela, where President Nicolas Maduro has been accused of trying to establish a dictatorship, President Donald Trump said Friday.

The situation in the South American country was discussed Friday at a meeting with Secretary of State Rex Tillerson, US Ambassador to the UN Nikki Haley and US National Security Advisor H R McMaster at his golf resort in Bedminster, New Jersey.

Venezuela was "a mess, a very dangerous mess and a sad situation," Trump said, adding that people there were suffering and dying.

In a later statement, the White House also said Trump had rejected a proposed phone call with Mad-



uro, saying he would not speak to him until "democracy is restored".

On Thursday, Maduro

reportedly instructed his foreign minister, Jorge Arreaza, to arrange a phone call or meeting with Trump.



Dimitri Kumsishvili:

MINISTER OF FINANCE OF GEORGIA



“In order to accelerate infrastructural projects, GEL 1,143,800 from the consolidated budget was allocated for capital expenditures. This is GEL 269.7 million more as compared to the figure of the previous year.”

Nino NADARAIA
FactCheck

On 21 July 2017, the Minister of Finance of Georgia, Dimitri Kumsishvili, at the annual gathering of the heads of Georgia's diplomatic representations, stated: "In order to accelerate infrastructural projects, GEL 1,143,800 from the consolidated budget was allocated for capital expenditures. This is GEL 269.7 million more as compared to the figure of the previous year."

FactCheck took interest in the accuracy of the statement.

The Minister in his statement refers to 2017 January-June data. FactCheck was unable to obtain information about total sum of funds spent on infrastructural projects from the consolidated budget¹ in that period. However, money spent on infra-

structural projects is mostly included in the budget's non-financial actives growth article. The tendency of expenses from that article largely determines the changes in funding of infrastructural projects in general.

According to the monthly data of Georgia's consolidated budget, GEL 624 million was spent on purchase of non-financial actives in January-June 2017, whilst GEL 526 million (19% less) was spent in the first six months of 2016. This year, GEL 1,662 million in total is allocated to grow the non-financial actives, which is GEL 513 million more as compared to 2016 figure.

Georgia's 2017 state budget's non-financial actives are scheduled to increase by GEL 999 million. According to 2016 plan, non-financial actives would have increased by GEL 750 million, whilst in fact, growth constituted GEL 662 million. On that account, 2017 plan is 33% more as compared

to 2016 plan and 51% more as compared to actual fulfilment rate of 2016 plan.

According to the information about capital projects envisioned by the 2017 state budget, GEL 1,556 million (growth of non-financial actives as well as other sources of funding) is allocated for capital projects. The most expensive project is urban services development programme (water supply and sewage sector) with GEL 139 million allocated for it. It is followed by expenditures for Batumi's new bypass road, which is estimated as GEL 133 million. Additional GEL 105 million is allocated for rehabilitation of highways and GEL 85 million is allocated for the development of educational and scientific facilities' infrastructure. Further, nearly GEL 70 million is allocated for modernisation and construction of 50 kilometre long section of Samtredia-Grigoleti highway.

¹ Consolidated Budget - a consolidated budget of a country, which includes Georgia's state budget, as well as state budget of Ajara Autonomous Republic and budgets of local self-government units

CONCLUSION

THIS YEAR, THE AMOUNT OF FUNDS ALLOCATED FOR INFRASTRUCTURAL PROJECTS IS INCREASED AS COMPARED TO THE PREVIOUS YEAR. ACCORDING TO GEORGIA'S CONSOLIDATED BUDGET, GEL 513 MILLION MORE IS ALLOCATED FOR THE GROWTH OF NON-FINANCIAL ACTIVES IN 2017 AS COMPARED TO WHAT WAS THE FIGURE IN 2016.

FACTCHECK WAS UNABLE TO FULLY OBTAIN INFORMATION GIVEN IN DIMITRI KUMSISHVILI'S STATEMENT ABOUT THE AMOUNT OF FUNDS ALLOCATED FROM THE CONSOLIDATED BUDGET ON CAPITAL EXPENDITURES TO ACCELERATE THE INFRASTRUCTURAL PROJECTS. HOWEVER, IN THE FIRST SIX MONTHS OF 2017, 19% MORE MONEY WAS SPENT ON THE GROWTH OF NON-FINANCIAL ACTIVES AS COMPARED TO THE SAME PERIOD OF 2016.

THEREFORE, FACTCHECK LEAVES DIMITRI KUMSISHVILI'S STATEMENT WITHOUT A VERDICT

WITHOUT A VERDICT



Kingdom of the Netherlands

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African women use mobile internet more heavily than men

The FINANCIAL

Two studies undertaken by Opera and Worldreader have found that women in Africa use mobile internet to empower and entertain themselves. The combined study revealed that women in these three African countries are as tech savvy as men when it comes to browsing the internet using their mobile phones. Women are using their browsers as often as men, with the majority of female survey respondents in Kenya and Nigeria (60%) stating that they access their mobile browsers more than eight times a day to do various internet activities.

Opera ran a survey of 1,500 women and men aged 14 to 44 in Nigeria, Kenya, and South Africa in May 2017 to learn more about their web browsing habits on their mobile phones. The poll results were later combined with Worldreader insights on the mobile reading habits of 50,000 Worldreader app users in the three countries above.

Women in Africa are as tech-savvy as men



Moreover, women tend to purchase bigger data packages than men. Nearly half of female respondents in Kenya said that they spend over KSHS 1,000 (9.62 USD) to buy mobile data plan while only a third of the male respondents are doing so. Similarly, in Nigeria, around 70% of women who partook in the survey stated that they spend over NGN 1,000 (2.74 USD) to buy

a mobile data plan in comparison to 60% of men paying the same amount. Women also lead when it comes to buying big data packages with five times more women buying data 10GB data bundles in Kenya than men.

Women use the internet for

entertainment and self-development

Both, Opera Software surveys and Worldreader usage data show that women in Nigeria, Kenya, and South Africa engage with the wider variety of content available on the internet than men. Female re-

spondents to the Opera survey on average showed a higher percentage of interest for nine out of 15 topics. Similarly, Worldreader observes that women are on average accessing more e-books than men using their e-book reading platform. Not only that, Worldreader reports that their female users are reading three times as many pages on average as their male counterparts.

Women in three African countries are predominately browsing the internet to relax and entertain themselves. By browsing lifestyle, music and entertainment content on Opera and by reading romance, thrillers and other fiction e-books on Worldreader (in some cases up to 10 times as many as men), women in Nigeria, Kenya, and South Africa are embracing the Internet as a tool for entertainment.

Women are more engaged with online content

Empowerment is another major motivator for women using their mobile phones to access the internet. According to Opera, women are more engaged than men with content that can improve their lives, including content related to education, economy, property rights, public services, and health. In all three countries a higher percentage of women than emphasized the need for having access to news via their mobile browser.

Similarly, Worldreader reports that women between 26 and 44 years of age are particularly interested in reading e-books from the Inspiration, Career Development and Children's sections of the Worldreader library.

Leisure in the UK: Consumers prioritise taking off abroad over take-aways at home

The FINANCIAL

The quarterly survey of 3,000 UK adults found that the outlook for the leisure sector is less certain, with spending falling across all leisure categories compared with the second quarter of 2016. Restaurant spending saw the largest year-on-year decline, falling by seven percentage points.

The quarter-on-quarter picture is similar, particularly for areas of discretionary spending such as eating and drinking outside of the home. Spending in coffee shops and restaurants both saw a quarterly fall of four percentage points, while spending in pubs and bars saw a decline of three percentage points from the first quarter of 2017. In-home leisure, which includes takeaways and TV, film and music subscriptions, also saw a decline in spending, down two percentage points from the previous quarter. Significantly, amongst millennial consumers (18-34 year-olds) in-home leisure spending fell by 12 percentage points.

"There has undoubtedly been some loss of momentum in the leisure sector during the second quar-

ter of 2017", Simon Oaten, partner for hospitality and leisure at Deloitte, commented. "Weak consumer confidence, driven largely by rising inflation and lower real wage growth, has led to household austerity measures which have particularly impacted restaurants, cafés and bars.

"It would appear that we are now beginning to see the same shift from discretionary to essential spending in the leisure sector that we have already seen in the retail market. Leisure consumers are switching from discretionary, experience-led activities in order to protect their everyday leisure spending such as their daily coffee or TV subscription. The question for the UK leisure sector is: can the leisure consumer continue to protect their leisure spending even as prices on the high street start to rise?"

Holiday spending

Holiday spending was one of the only discretionary leisure areas which saw an increase in spending in the second quarter. Long haul spending increased

by four percentage points, while short haul spending increased by three percentage points from the first quarter of 2017. Spending on going to the gym also saw a one percentage point increase from the previous quarter.

Consumers remain committed to spending on holidays over the next three months, with the majority of age groups intending to spend more on holidays in the third quarter of 2017 compared to the previous quarter. Consumers aged 35 and over are expecting to spend more on both long and short haul holidays in the next three months. By contrast, millennials are planning to decrease their spending on short haul in the next three months, by four percentage points.

Oaten adds: "While spending on holidays was up quarter-on-quarter, the longer term trend shows that it has fallen year-on-year. These are the first signs of a weakening in consumer confidence with regards to holiday spending, and it remains to be seen whether this proves to be a blip or the start of a prolonged slowdown that echoes what we have seen in other areas of the consumer market."

Popularity of sea cruises in the EU



ec.europa.eu/eurostat

The FINANCIAL

to start their cruise...

Almost 7 million passengers took a cruise in the European Union (EU) in 2012 and in 2013. However, in 2014, the number of passengers starting a cruise in the EU dropped to 5.7 million. Passenger numbers then rose again to register 6.2 million in 2015.

Most passengers choose Italy

In 2015, a vast majority (70%) of passengers started their cruise in three Member States. One in three did so in Italy (2.2 million passengers, or 35% of EU total), one in five in Spain (1.2 million passengers, or 19%) and one in six in the United Kingdom (almost 1 million passengers, or 16%). These three Member States were followed at a distance by Germany (0.6 million passengers), Belgium and

Greece (both about 0.2 million passengers).

... but Southampton in the UK is the main port

With 829 000 passengers recorded in 2015, Southampton in the United Kingdom was the main EU port for cruise passengers, ahead of Barcelona in Spain (685 000 passengers) and Venice in Italy (657 000 passengers).

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Young people in the EU: education and employment

The FINANCIAL

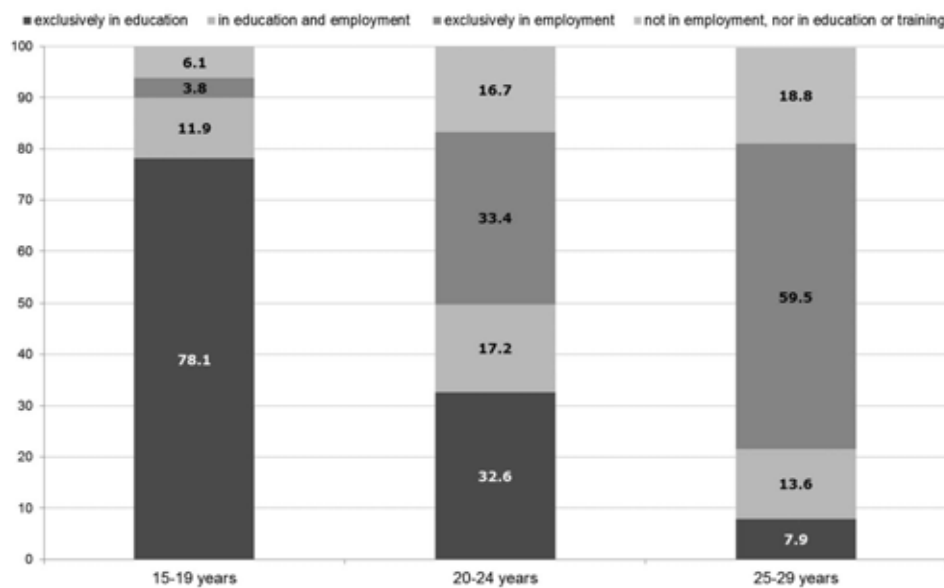
Almost 90 million people aged 15-29 live in the European Union (EU). This represents 17% of its population. The personal circumstances of young people in the EU are often very different, with education and employment patterns varying considerably between Member States and by age group.

Our news item marks International Youth Day.

Education or employment, both or neither?

Between the ages of 15 and 29, a significant shift from the world of education to the world of employment occurs in the lives of young adults. While a vast majority of those in the 15-19 age group in 2016 was in education, the opposite was true for those aged 25-29. Most of them were in employment. In-between, young people aged 20-24 were relatively

Education and employment patterns of young people in the EU, by 5-year age groups, 2016 (%)



evenly distributed between being in education and employment.

Moreover, the proportion of young people neither in employment nor in education or training (NEET) increases

considerably with age. The NEET rate, which stood at 6.1% for the age group 15-19 in 2016, tripled to 18.8% for those aged 25-29.

Largest share of NEET aged 20-24 in Italy,

lowest in the Netherlands

In 2016, almost 1 in 3 young people aged 20-24 was neither in employment nor in education or training in Italy (29.1%), nearly 1 in 4 in Romania (23.6%), Greece (23.0%), Bulgaria and Cyprus (both 22.7%) and about 1 in 5 in Spain (21.2%) and Croatia (19.6%).

In contrast, the lowest NEET rate among young people aged 20-24 was recorded in the Netherlands (6.9%), ahead of Malta (8.1%), Denmark (8.5%), Luxembourg (9.0%) and Sweden (9.3%).

At EU level, the equivalent of the total population of Ireland – almost 5 million young persons aged 20-24 (16.7%) – were in 2016 neither in employment nor in education or training.

Highest increase in NEET rate in Cyprus, Spain and Italy, highest

drop in Bulgaria and Germany

Although the proportion of young people aged 20-24 neither in employment nor in education or training remained relatively stable in the EU as a whole between 2006 and 2016, important changes occurred over the last decade in individual Member States. In twelve of them, the NEET rate has decreased, with the most significant reductions registered in Bulgaria (from 29.3% in 2006 to 22.7% in 2016, or -6.6 percentage points – pp), Germany (-5.5 pp), Poland (-3.6 pp), Slovakia and Sweden (both -3.4 pp).

In the other sixteen Member States, the situation has deteriorated. The largest increases in the proportion of people aged 20-24 neither in employment nor in education or training were registered in Cyprus (from 13.7% to 22.7%, or +9.0 pp), Spain (+8.0 pp), Italy (+7.5 pp), Greece (+6.2 pp), Ireland (+5.1 pp), Romania (+4.7 pp), Portugal (+4.6 pp) and the United Kingdom (+4.2 pp).

Teenage and older mothers in the EU

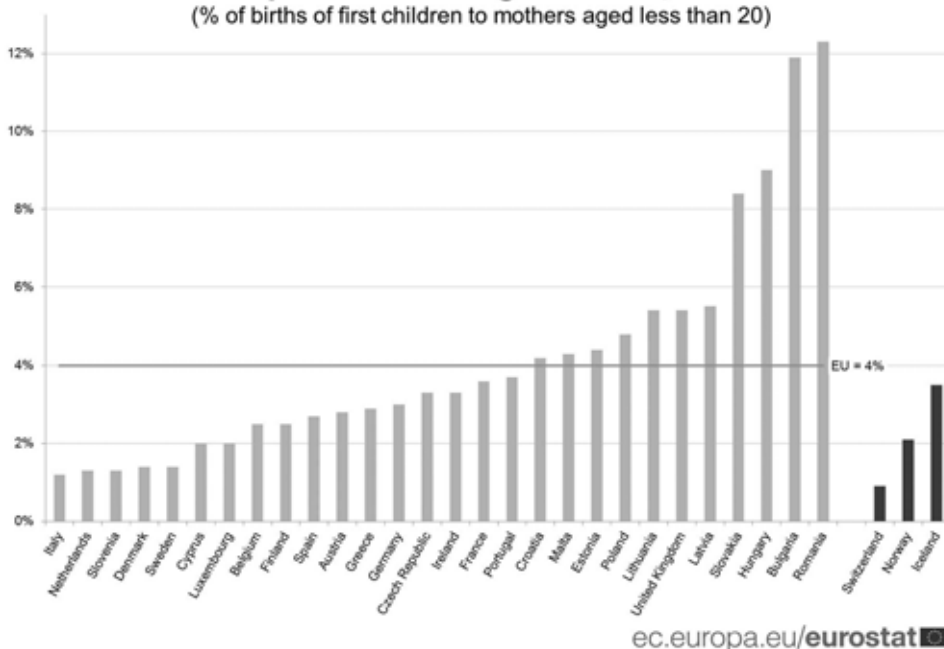
The FINANCIAL

Slightly fewer than half (47%) of women in the European Union (EU) who gave birth to their first child in 2015 were in their 20s, while 45% of first-time mothers were in their 30s. In addition, 93 000 births of first children were to teenagers (4%), so women aged less than 20, and around 87 000 (4% of first-time births) were to women aged 40 and over. On average, women in the EU were 29 years old when they became mothers for the first time.

1 in 10 first children born to teenage mothers in Romania and Bulgaria

The highest shares of births of first children to teenage mothers were recorded in Romania (with 12.3% of total births of first children in 2015) and Bulgaria (11.9%). They were followed by Hungary (9.0%), Slovakia (8.4%), Latvia (5.5%), Lithuania and the United Kingdom (both 5.4%) and Poland (4.8%). On the other hand, teenage

Proportion of teenage mothers, 2015 (% of births of first children to mothers aged less than 20)



mothers made up less than 2% of first births in Italy (1.2%), the Netherlands and Slovenia (both 1.3%), Denmark and Sweden (both 1.4%).

Highest shares of first-time mothers aged 40 or over in

Italy and Spain

At the opposite end of the age range, the highest proportions of births of first children in 2015 to women aged 40 and over were registered in Italy (8.0% of total births of first children in 2015) and Spain (7.4%), ahead of Greece (5.5%), Ireland (4.9%) and Luxembourg (4.5%). In contrast, less than 2% of first-time births to women aged 40 or over were recorded in Lithuania and Poland (both

1.1%), Latvia and Slovakia (both 1.5%), Romania (1.6%), Malta (1.7%) and the Czech Republic (1.8%).

In 2015, a majority of women giving birth for the first time were aged in their 20s in most Member States. Notable exceptions were to be found in the following Member States where the majority of first births were to mothers aged in their 30s: Spain (61.6% of births of first children concerned women aged 30-39), Greece (57.2%), Ireland (57.0%), Italy (56.2%), Luxembourg (54.1%) and Portugal (53.7%).

Young Scots still believe in the power of Higher Education

The FINANCIAL – More than half of young Scots believe that higher education is a good idea, despite the costs, according to Bank of Scotland's latest How Scotland Lives research.

With Scots up and down the country receiving their exam results this week, the study identified that more than half (61%) of 18-24 year olds still believe that university is the best option for career prospects despite the costs. In comparison, just 4% of 18-24 year olds believe that

university is not financially viable.

15% of young Scots believe that on the job training, or an apprenticeship, can lead to the best career prospects despite training now being on offer across many sectors ranging from finance to automotive to construction.

By comparison, just 35% of those aged 35-44 believe university is a good idea with over a quarter (26%) believing that on the job training, or an apprenticeship, can provide a good route to a career.



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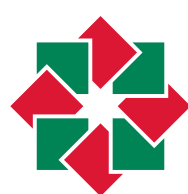


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Weekly Market Watch



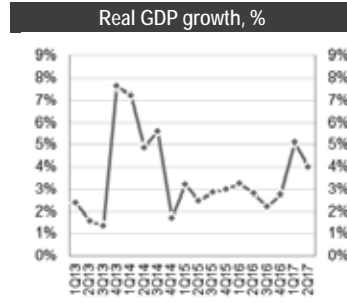
ECONOMY

International reserves up 2.9% y/y in July 2017

Gross international reserves were up 2.9% y/y to US\$ 2.9bn in July 2017, while reserves were down 0.6% m/m, according to NBG. There were no FX interventions by central bank in July. Change in reserves was attributed to government FX operations and/or asset revaluation.

Key macro indicators			
	7M17	2016	2015
GDP (% change)	4.5% ⁽¹⁾	2.7%	2.9%
GDP per capita (ppp)	...	10,044	9,601
GDP per capita (US\$)	...	3,853	3,767
Population (mn)	3.7	3.7	3.7
Inflation (eop)	6.0%	1.8%	4.9%
Gross reserves (US\$ bn)	3.0	2.8	2.5
CAD (% of GDP)	...	13.5%	12.0%
Fiscal deficit (% of GDP)	...	4.1%	3.7%
Total public debt (% of GDP)	...	44.6%	41.4%

Source: Official data, IMF



Source: GeoStat

Georgia sovereign credit ratings

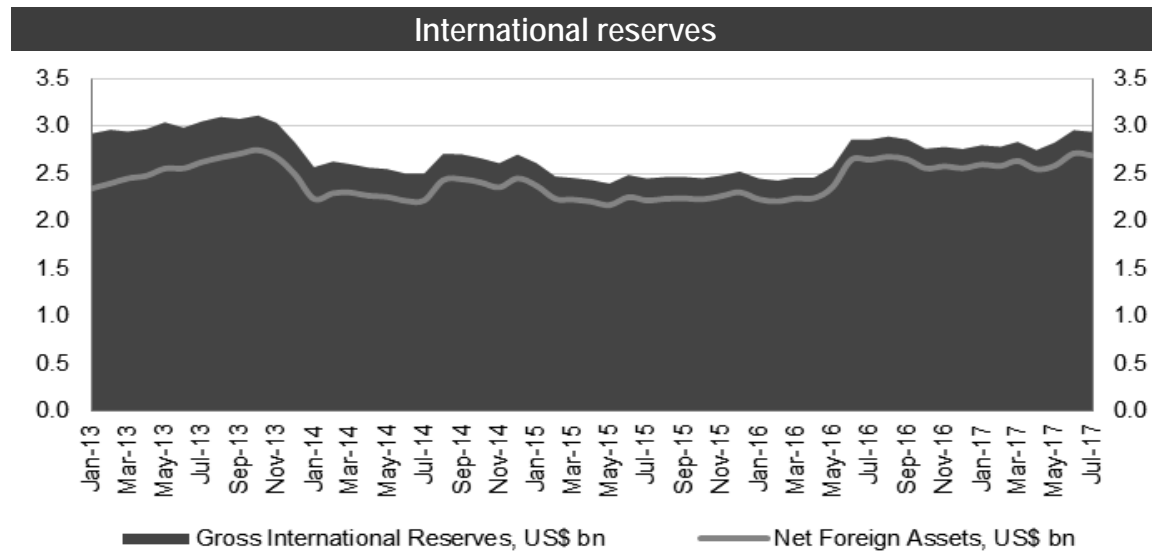
STANDARD & POORS BB- Stable Affirmed Nov-2016	MOODY'S INVESTORS SERVICE Ba3 Positive Affirmed Mar-2016	FitchRatings BB- Stable Affirmed Mar-2017
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Source: Rating agencies

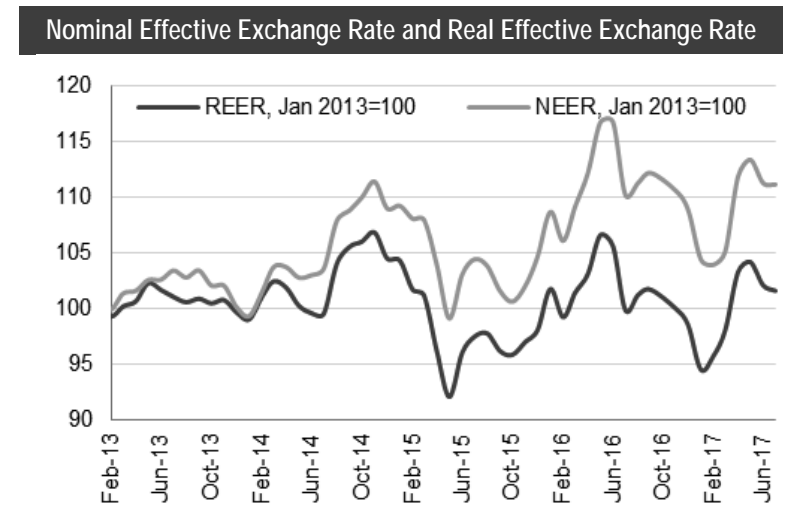
International ranking, 2016-17

- Ease of Doing Business # 16 (regional leader)
- Economic Freedom Index # 13 (mostly free)
- Global Competitiveness Index # 59 (improving trend)

Source: World Bank, Heritage Foundation and World Economic Forum



Source: GeoStat



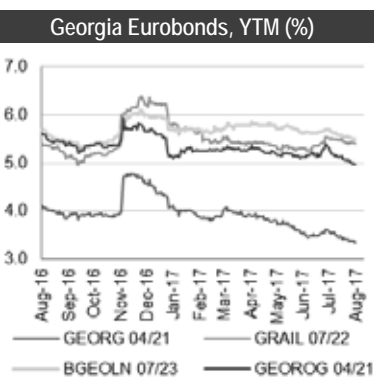
Source: NBG

Note: Index growth means appreciation of exchange rate, decline means depreciation of exchange rate.

FIXED INCOME

Corporate Eurobonds: BGEO Group Eurobonds (BGEOLN) closed at 5.7% yield, trading at 101.4 (-0.8% w/w). Bank of Georgia GEL-denominated Eurobonds (GEBGG) were trading at 99.8 (unchanged w/w), yielding 11.1%. GOGC Eurobonds (GEOROG) were trading at 105.7 (unchanged w/w), yielding 5.0%. Georgian Railway Eurobonds (GRAIL) traded at a premium at 109.9 (-0.1% w/w), yielding 5.4%.

Georgian Sovereign Eurobonds (GEORG) closed at 112.0 (+0.1% w/w) at 3.4% yield to maturity.

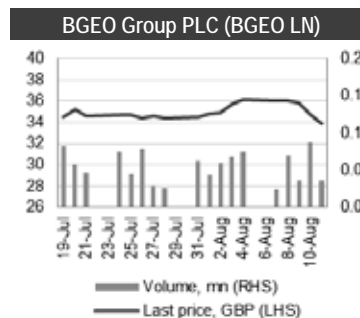


Source: Bloomberg

	Local bonds				Eurobonds			
	GWP 12/21	M2RE 10/19	Nikora 03/18	GEBGG 06/20	GEOROG 04/21	BGEOLN 07/23	GEORG 04/21	GRAIL 07/22
Amount, US\$ mn	30*	25.0	5.0	500*	250	350	500	500
Issue date	12/16	10/16	03/16	06-17	04/16	07/16	04/11	07/12
Maturity date	12/21	10/19	03/18	06-20	04/21	07/23	04/21	07/22
Coupon, %	10.50**	7.5	11.0	11.0	6.750	6.000	6.875	7.750
Fitch/S&P/Moody's	BB-/-	-/-	-/-	BB-/-/Ba3	BB-/B+	BB-/B1	BB-/BB-/Ba3	B+/B+
Mid price, US\$	n/a	101.5	101.2	99.8	105.7	101.4	112.0	109.9
Mid yield, %	n/a	6.75%	9.0%	11.1	5.0	5.7	3.4	5.4
Z-spread, bps	n/a	n/a	n/a	346.1	332.5	166.1	361.6	383.4

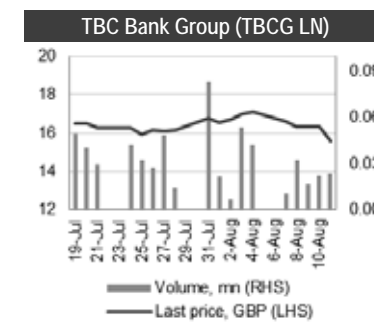
*GWP 12/21 bonds are in Georgian lari

EQUITIES



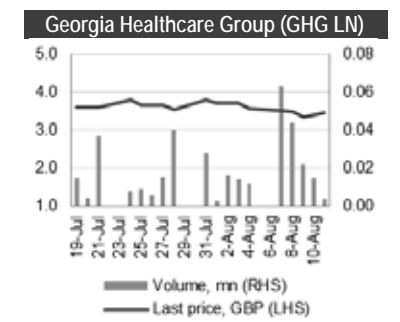
Source: Bloomberg

BGEO Group (BGEO LN) shares closed at GBP 33.92/share (-6.17% w/w and -3.77% m/m). More than 252k shares traded in the range of GBP 33.76 – 36.20/share. Average daily traded volume was 62k in the last 4 weeks. FTSE 250 Index, of



Source: Bloomberg

which BGEO is a constituent, lost 2.13% w/w and gained 1.71% m/m. The volume of BGEO shares traded was at 0.64% of its capitalization. **TBC Bank Group (TBCG LN)** closed the week at GBP 15.60 (-8.72% w/w and -6.64% m/m). More than 104k shares changed hands in the range of GBP 15.45 – 17.05/share. Averaged daily traded



Source: Bloomberg

volume was 31k in the last 4 weeks. **Georgia Healthcare Group (GHG LN)** shares closed at GBP 3.45/share (-3.46% w/w and -5.48% m/m). More than 147k shares were traded in the range of GBP 3.32 – 3.55/share. Average daily traded volume was 17k in the last 4 weeks. The volume of GHG shares traded was at 0.11% of its capitalization.

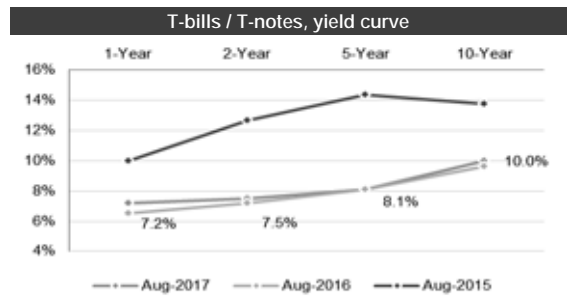
MONEY MARKET

Refinancing loans: National Bank of Georgia (NBG) issued 7-day refinancing loans of GEL 950mn (US\$ 397.5mn).

Ministry of Finance Treasury Bills: 182-days GEL 20.0mn (US\$ 8.4mn) T-Bills of Ministry of Finance were sold at the auction held at NBG on Au-

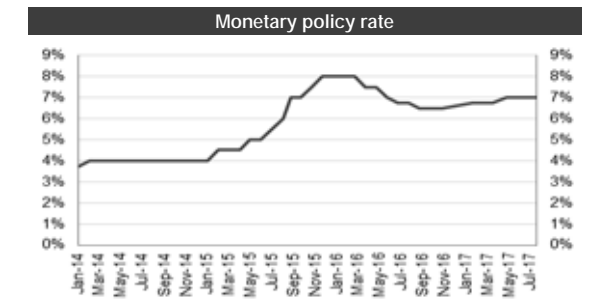
gust 9, 2017. The weighted average yield was fixed at 7.126%.

Ministry of Finance Treasury Notes: 2-year GEL 20.0mn (US\$ 8.4mn) T-Notes of Ministry of Finance were sold at the auction held at NBG on August 9, 2017. The weighted average yield was fixed at 7.520%. The nearest treasury security auction is scheduled for August 16, 2017, where GEL 20.0mn nominal value 10-year T-Notes will be sold.



Source: NBG

*Note: As of latest auction.



Source: NBG

Eastern European sovereign 10-year bond performance

Issuer	Amount, US\$ mn	Coupon, %	Maturity date	Ratings (Fitch/S&P/Moody)	Mid yield, %
Georgia	500	6.875%	12/04/2021	BB-/BB-/Ba3	3.4
Azerbaijan	1,250	4.750%	18/03/2024	BB+/BB+/Ba1	4.5
Bulgaria	323	5.000%	19/07/2021	BBB-/BB+/Baa2	0.1
Croatia	1,250	3.875%	30/05/2022	BB/BB/Ba2	1.3
Hungary	3,000	6.375%	29/03/2021	BBB-/BBB-/Baa3	2.6
Romania	2,250	6.750%	07/02/2022	BBB-/BBB-/Baa3	2.8
Russia	3,500	5.000%	29/04/2020	BBB-/BB+/Ba1	2.7
Turkey	2,000	5.625%	30/03/2021	BB+/BB/Ba1	3.6

Source: Bloomberg

WEEKLY MARKET WATCH EXCLUSIVELY PROVIDED TO THE FINANCIAL BY GALT & TAGGART

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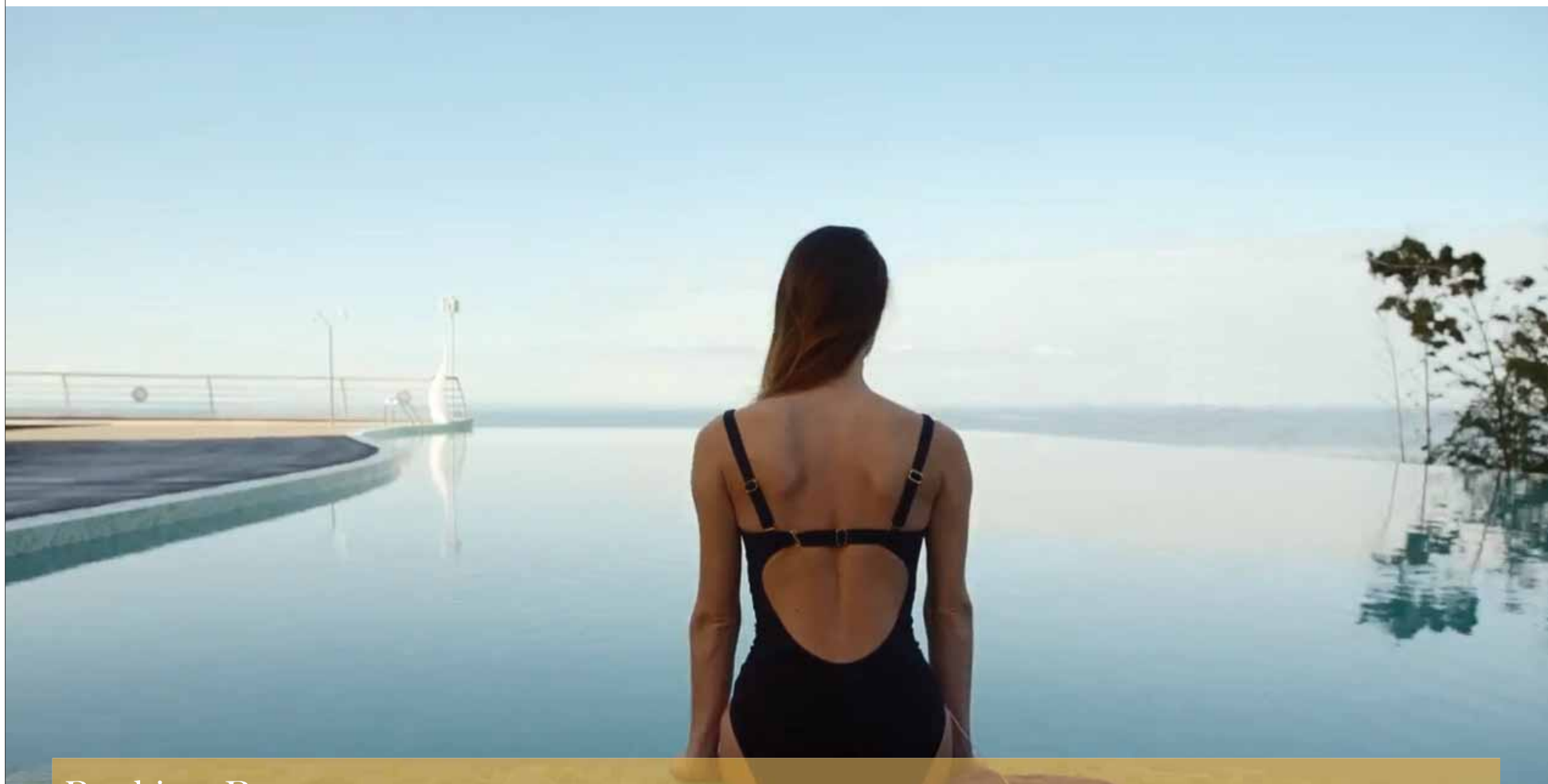
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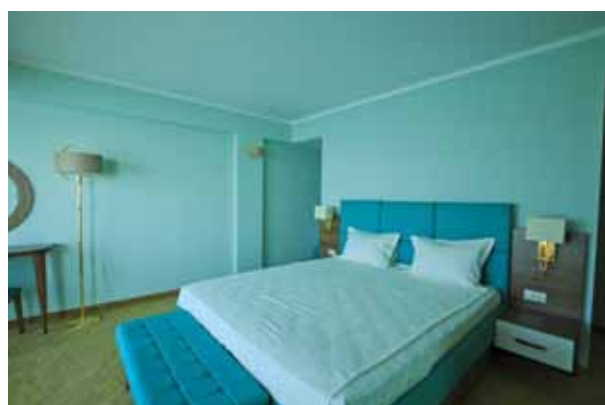
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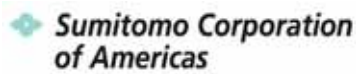
Financing Innovation for a Low Carbon Future



19th September 2017

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