

Introduction

Georgia is situated at the crossroads of Eastern Europe and Western Asia. It is bordered by Armenia, Azerbaijan, Russia, Turkey, and the Black Sea. Strategically located directly east of the Black Sea, Georgia is largely mountainous and controls much of the Caucasus Mountains and the routes through them. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Georgia has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation.



Location: Western Asia

Capital City: Tbilisi (+4 GMT)

Chief of State: President Salome Zourabichvili

Head of Govt.: Prime Minister Irakli Kobakhidze

Currency: Lari (GEL)

Major Languages: Georgian (official) 87.6%, Azeri 6.2%, Armenian 3.9%, Russian 1.2%, other 1% (2014 est.)

Primary Religions: Orthodox (official) 83.4%, Muslim 10.7%, Armenian Apostolic 2.9%, other 1.2% (includes Catholic, Jehovah's Witness, Yazidi, Protestant, Jewish), none 0.5%, unspecified/no answer 1.2% (2014 est.)

Calling Code: 995

Voltage: 220

Key Websites

Main Government Page: gov.ge

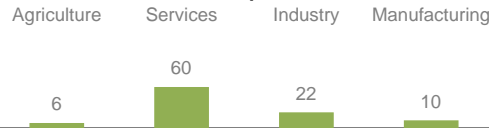
Commerce Ministry: economy.ge

Investment Promotion Agency: investingorgia.org

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$74.67 billion (2022)
GDP growth (annual %):	10.11% (2022)
GDP per capita, PPP (current international \$):	\$20,113.38 (2022)
External debt stocks, total (DOD, current US\$):	\$22,053,309,338.80 (2021)
Manufacturing, value added (% of GDP):	9.68% (2022)
Current account balance (BoP, current US\$):	-\$1.94 billion (2021)
Inflation, consumer prices (annual %):	11.90% (2022)
Labor force, total:	1,864,158 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	11.31% (2022)
Imports of goods and services (current US\$):	\$15.51 billion (2022)
Exports of goods and services (current US\$):	\$13.02 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	45 / 178
Global Competitiveness Index	74 / 141
Global Enabling Trade Index	41 / 136
Global Services Location Index	19 / 60
Index of Economic Freedom	35 / 176
International Logistics Performance Index (LPI)	119 / 160
Inward FDI Potential Index	100 / 139
KOF Index of Globalization	65 / 185
Networked Readiness Index (NRI)	58 / 139
Open Budget Index	1 / 114

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

Strengths

- Tourism, agricultural, mineral and hydroelectric potential (near self-sufficiency in electricity)
- Strategic geographical position between Central Asia, Russia, Europe and Turkey
- International support, numerous trade agreements
- Relatively solid business environment
- Candidate for EU membership since December 2023

Weaknesses

- Weak economic diversification, low manufacturing activity (9.5% of GDP in 2023) and low agricultural productivity (6.9% of GDP in 2023)
- Structural trade deficit, low value-added exports and dependence on Russian oil
- Highly dollarised banking system (48.5% of deposits and 44.2% of credits in July 2024)
- High poverty, informal economy and rural population
- Political instability: pro-Western/pro-Russian division, Abkhazia and South Ossetia occupied by Russian military forces
- The passing of the law on foreign agents and the authoritarian drift of the Georgian Dream (RG-GD), the party in power are jeopardising accession to the EU.

U.S. Embassy

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<https://ge.usembassy.gov>