

## 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:** T'bilisi (+4 GMT)

**Chief of State:** President Salome Zourabichvili

**Head of Govt.:** Prime Minister Giorgi Gakharia

**Currency:** Lari (GEL)

**Major Languages:** <p>Georgian (official) 87.6%, Azeri 6.2%, Armenian 3.9%, Russian 1.2%, other 1%</p>

**Primary Religions:** <p>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%</p>

**Calling Code:** 995

**Voltage:** 220

## Key Websites

Main Government Page: [gov.ge](http://gov.ge)

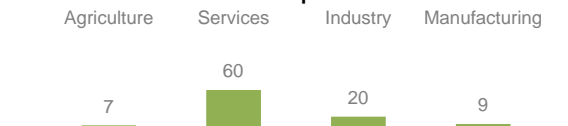
Commerce Ministry: [economy.ge](http://economy.ge)

Investment Promotion Agency: [investingorgia.org](http://investingorgia.org)

## Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$54.39 billion (2018)
GDP growth (annual %):	4.80% (2018)
GDP per capita, PPP (current international \$):	\$14,594.67 (2018)
External debt stocks, total (DOD, current US\$):	\$17,118,119,640.80 (2018)
Manufacturing, value added (% of GDP):	8.83% (2018)
Current account balance (BoP, current US\$):	-\$1.19 billion (2018)
Inflation, consumer prices (annual %):	4.85% (2019)
Labor force, total:	2,031,451 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	14.40% (2019)
Imports of goods and services (current US\$):	\$10.77 billion (2018)
Exports of goods and services (current US\$):	\$8.90 billion (2018)

## 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	41 / 180
Global Competitiveness Index	74 / 141
Global Enabling Trade Index	41 / 136
Index of Economic Freedom	16 / 179
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	5 / 115

## 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: A4** - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

### Strengths

- Able to withstand regional economic conditions
- Agricultural, mineral, hydroelectric (almost self-sufficient in electricity) and tourism potential
- International support, in particular from the EU and IMF
- Strategic geographical position (crossing point for Caspian hydrocarbons)

### Weaknesses

- Small open economy sensitive to regional conditions
- Structural trade deficit, lack of industrial tradition, low diversification, and low value of export products
- Significant rural poverty against a backdrop of unemployment, underemployment and inadequate training
- Low agricultural productivity: the sector accounts for half the working population, but 9% of GDP
- Inadequate transport infrastructure hampers tourism and transit
- Low levels of education and innovation
- Population concentrated in the capital (1/3)
- Relations with Russia undermined by the situation in Abkhazia and South Ossetia
- Governance is poor in terms of anti-corruption, regulatory quality and government effectiveness, but average as regards the rule of law, government accountability and treatment of insolvency

## U.S. Embassy

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<https://ge.usembassy.gov>