

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 Irakli Garibashvili

Currency: Lari (GEL)

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

Calling Code: 995

Voltage: 220

Key Websites

Main Government Page: gov.ge

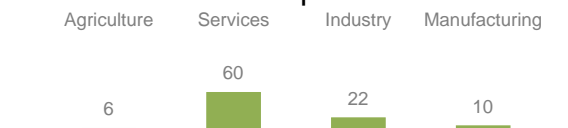
Commerce Ministry: economy.ge

Investment Promotion Agency: investingeorgia.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: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

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 (almost self-sufficient in electricity)
- Strategic geographical position between Central Asia, Russia, Europe and Turkey (crossing point for the distribution of Azerbaijani oil and gas from the Caspian Sea to Turkey)
- International support, including from the European Union (EU) and the International Monetary Fund (IMF)
- Numerous trade agreements, including with the EU and China
- Relatively good and improving business environment (obligation for companies to comply with IFRS, adoption in 2020 of laws governing bank resolutions and corporate failures to strengthen the protection of creditors' rights, as well as insolvency and reorganization procedures)

Weaknesses

- Small open economy sensitive to regional conditions
- High dependence on tourism (27% of GDP including direct and indirect activities, 29.5% of jobs, and 36% of export earnings in 2019)
- Low economic diversification, weak manufacturing activity (9% of GDP in 2020), and low productivity in agriculture (7% of GDP, 20% of the workforce in 2020)
- Structural trade deficit and low-value exports
- Highly dollarized banking system (63% of deposits and 55% of loans in 2020)
- High poverty (21.3% of the population in 2020)

against a backdrop of unemployment, low levels of education, an informal economy (38% of GDP in 2020), and a rural population (42% of the total in 2019).

- Poor governance (corruption, politicized court system)
- Vulnerability to the division between the pro-Western government and pro-Russian opposition blocs.
- Strained relations with Russia due to the situation in the self-proclaimed independent regions of Abkhazia and South Ossetia (18% of the territory), occupied by Russian military forces

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