



საქართველოს ფინანსთა სამინისტრო  
Ministry of Finance of Georgia

# Economic Outlook for Georgia

May - 2026

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# Transaction Details

<b>Issuer</b>	Georgia (acting through the Ministry of Finance of Georgia)
<b>Issuer Ratings</b>	Moody's Ba2 (Negative) / S&P BB (Stable) / Fitch BB (Stable)
<b>Status</b>	Senior Unsecured Notes
<b>Format</b>	Local Treasury Bond
<b>Maturity Date</b>	28 April 2032
<b>Size</b>	300-400 mm GEL
<b>Governing Law</b>	Georgian Law
<b>Use of Proceeds</b>	General governmental purposes
<b>Clearing</b>	Clearstream / CSD
<b>Denomination</b>	GEL 1,000
<b>Joint Bookrunners</b>	Galt & Taggart, TBC Capital

# Key Credit Highlights



## High Economic Growth and Resilience to External Shocks

- **Annual Real GDP growth on average above 9% over the past 5 years**, as a result of effective macroeconomic policies and structural reforms.
- Strong growth outlook driven by **high-value added services**, such as **Information and Communications Technology (ICT) sector**.



## Prudent Monetary Policy and Profitable Banking Sector

- Georgia has demonstrated a **strong track record of policy continuity, fiscal prudence, and inflation control**. Inflation has remained broadly below the National Bank of Georgia's (NBG) 3% target, and **public investment has been maintained at 7–8% of GDP**.
- **Well-capitalised banking sector** which remains **liquid and profitable**, supported by high net interest income and low non-performing loans.



## Recovering External Sector

- Good **recovery of gross official reserves to USD 6.2 bn as of December 2025 from USD 3.3 bn in 2018** and Georgia has been keeping a record low current account deficit since post pandemic recovery.
- **Limited exposure to global trade tensions** having benefited from transit trade linked to the increased usage of the Middle Corridor.



## Supportive Fiscal Performance

- Sustainable **public finances** support Georgia's macroeconomic stability, increasing tax income and maintaining healthy tax revenue.
- Notable progress on **tax policy and administration reforms** to secure revenues for spending priorities and improve revenue collection, while **engagement with the IMF continues**, with an Article IV report and TA mission ongoing on key milestones such as the SOE reform.



## Favourable Debt Structure

- Moderate **debt burden which has consistently declined over the past years** from 59.6% of GDP in 2020, to 33.8% of GDP in Oct-2025, on the back of sustained fiscal discipline. The IMF's 2025 debt sustainability analysis (DSA) concluded Georgia's public debt is sustainable.
- Strong debt affordability, benefiting from **high levels of concessional financing** as well as proven access to international capital markets.

# Georgia at a Glance



## Key Facts

Population (Nov 2025)	3.7 mn
Exchange Rate (Apr 2026)	1 USD = 2.6920 GEL <sup>1</sup>
GDP (2025)	USD 38.1 bn
GDP per capita (2025)	USD 10 297
GDP per capita (2025 PPP)	USD 31 090
Real GDP growth (2021-2025)	9.3%
Average inflation rate (2010-2024)	4.4 %
Average Inflation (2025)	3.9%
Government debt/GDP (2025)	34.4%
Current account balance/GDP (2025)	-2.6%

Source: MOF, GeoStat, IMF, WB, IBP

Notes: 1. Exchange rate as of 30<sup>th</sup> April 2026

2. Except in certain limited circumstances stipulated by the Georgian law

## Tax Policy and FTAS

# 0%

Corporate Income Tax on retained profit

## B-READY

(out of 100 countries)

- Regulatory Frame: 15<sup>rd</sup>
- Public Services: 19<sup>th</sup>
- Operational Efficiencies: 2<sup>nd</sup>

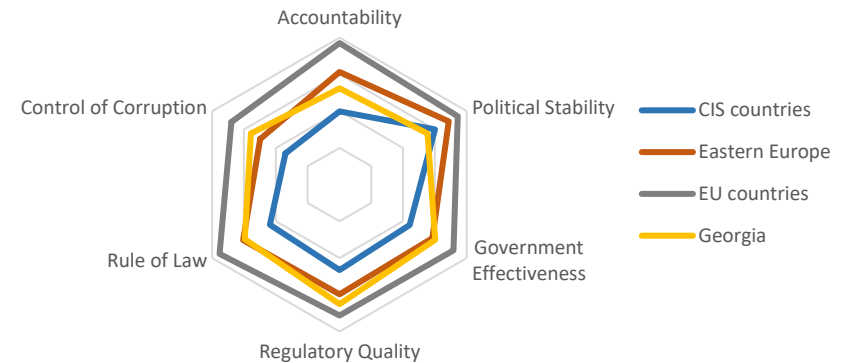
World Bank's Business Ready 2025 study

## Open Budget Transparency

# #1

IBP Index 2023

## World Bank Governance Indicators (2025)



## Investor Friendly Business Environment



**No barriers** for market entry and exit



**No restrictions** on purchases of local assets by foreigners<sup>2</sup>



**No restrictions** on capital repatriation



**No restrictions** on purchasing/selling foreign currencies



**No restrictions** on money transfers

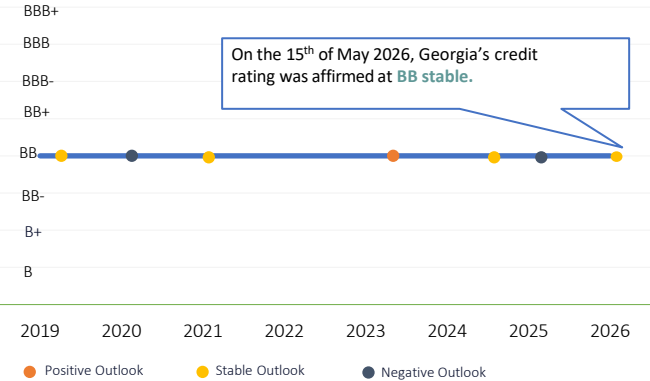


**No taxes** on government securities

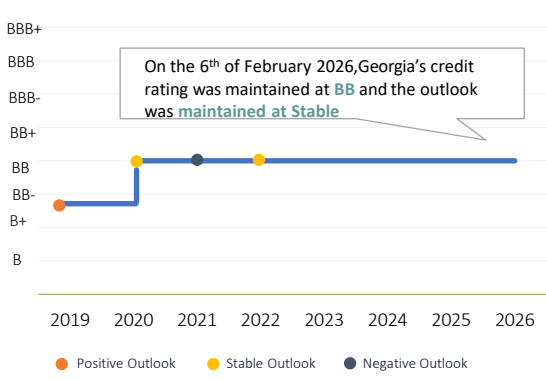
# Georgia's Sovereign Credit Ratings Evolution

Georgia's credit rating has been stable over the past five years. The credit rating reflects its high economic strength, supported by a robust growth potential and a strong fiscal position with moderate government debt burden and strong debt affordability.

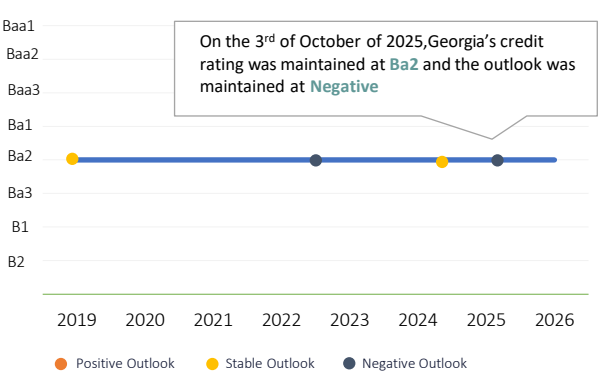
## FitchRatings BB (Stable)



## S&P Global BB (Stable)



## MOODY'S Ba2 (Negative)



### Key Credit Drivers

- "The Georgian **economy's growth remained strong** in 1Q 2026 following average GDP growth slightly above 8% over 2023-2025"
- "Georgia has consistently delivered **strong fiscal performance**, underpinned by a transparent and credible fiscal framework. The budget deficit was 1.4% of GDP in 2025, below the 3% limit set in the fiscal rule"
- "**The current account balance (CAD) improved in 2025**, as the deficit declined to 2.6% of GDP compared with 5.3% in 2024"

(Rating Action Report, 15<sup>th</sup> May 202)

Sources: Moody's, S&P Global, Fitch Ratings

### Key Credit Drivers

- "Macroeconomic performance has been solid, with **foreign exchange reserves increasing to about three months of imports** and reaching record highs"
- "Fiscal performance remains strong, with **general government deficits and net debt stabilizing at low levels**, supported by a favorable debt structure dominated by longmaturity, concessional official financing."
- "NBG is likely to **proceed cautiously with monetary policy normalization**"

(Research Update, 5<sup>th</sup> February 2026)

### Key Credit Drivers

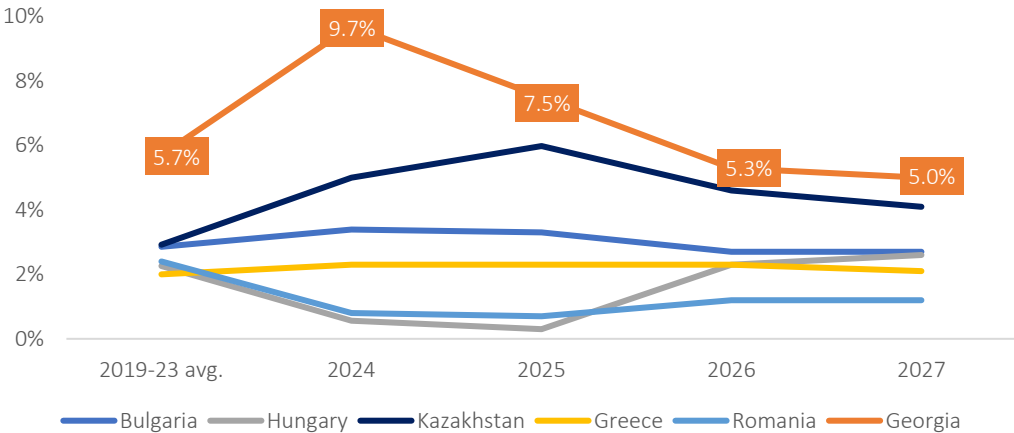
- "**Strong economic and fiscal fundamentals**, which have remained resilient despite ongoing political tensions"
- "**Moderate government debt burden and strong debt affordability**, supported by continued access to concessional and low-cost financing"
- "**Robust growth potential**, supported by domestic demand, services sector performance, and continued FDI inflows"
- "**The current account deficit narrowed significantly**, supported by strong services exports and remittances, and FX reserves will strengthen"

(Credit Opinion, 2<sup>nd</sup> April 2026)

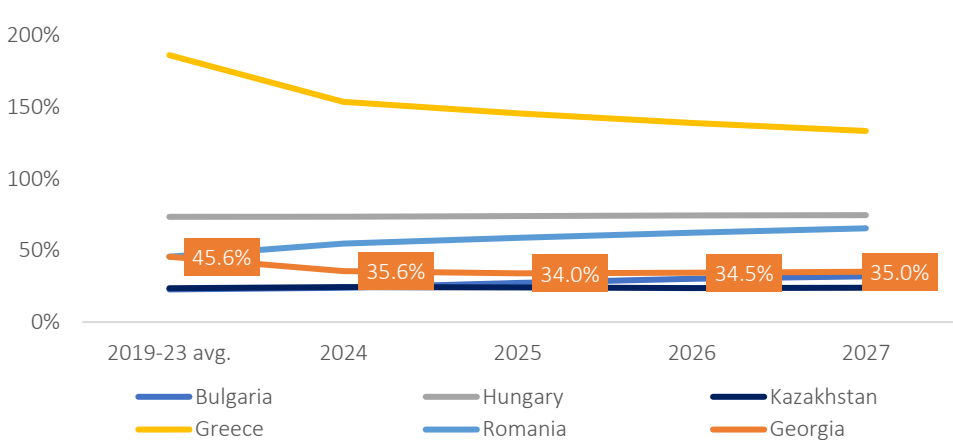
# Credit Rating Metrics Aligned with Investment Grade

Georgia’s economic and fiscal performance is in line with European and emerging market investment-grade peers, while its governance is a credit strength which has been tested during regional political shocks. Rating scorecards already point to Investment Grade ratings before the application of qualitative overrides.

### Real GDP Growth Rate Consistently Outpacing IG Peers



### GG Debt-to-GDP Ratio Lower than IG Peers and declining



### Ratings Before Qualitative Adjustments increasingly Point to IG

**S&P Global**

Indicative Rating
<b>BB+</b>

**MOODY'S**

Scorecard-indicated outcome
<b>Baa3 - Ba2</b>

**FitchRatings**

Sovereign Rating Model indicated outcome
<b>BB+</b>

Sources: Fitch Ratings, Moody's, S&P Global

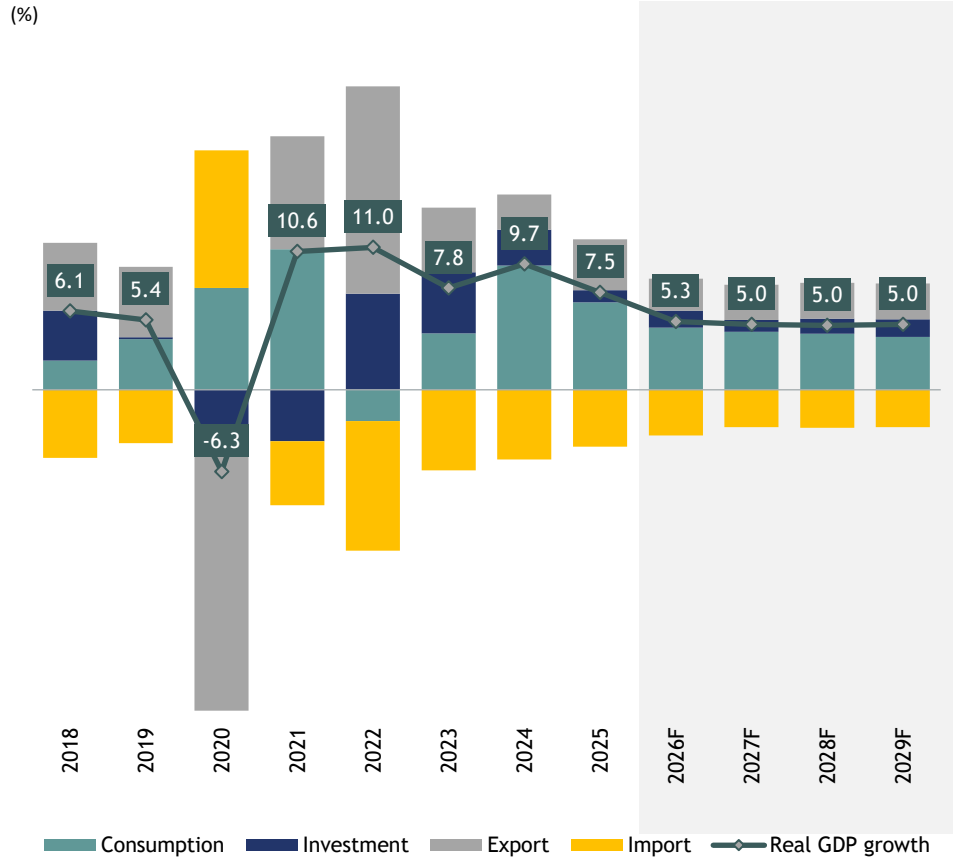
### Governance Metrics in line with IG peers

Country	Avg. WBGI Score
Croatia (A/A3/A-)	63.8
Romania (BBB-/Baa3/BBB-)	60.7
Hungary (BBB-/Baa2/BBB)	60.0
<b>Georgia (BB/Ba2/BB)</b>	<b>58.0</b>
Bulgaria (BBB+/Baa1/BBB+)	56.4
Kazakhstan (BBB-/Baa1/BBB)	51.7

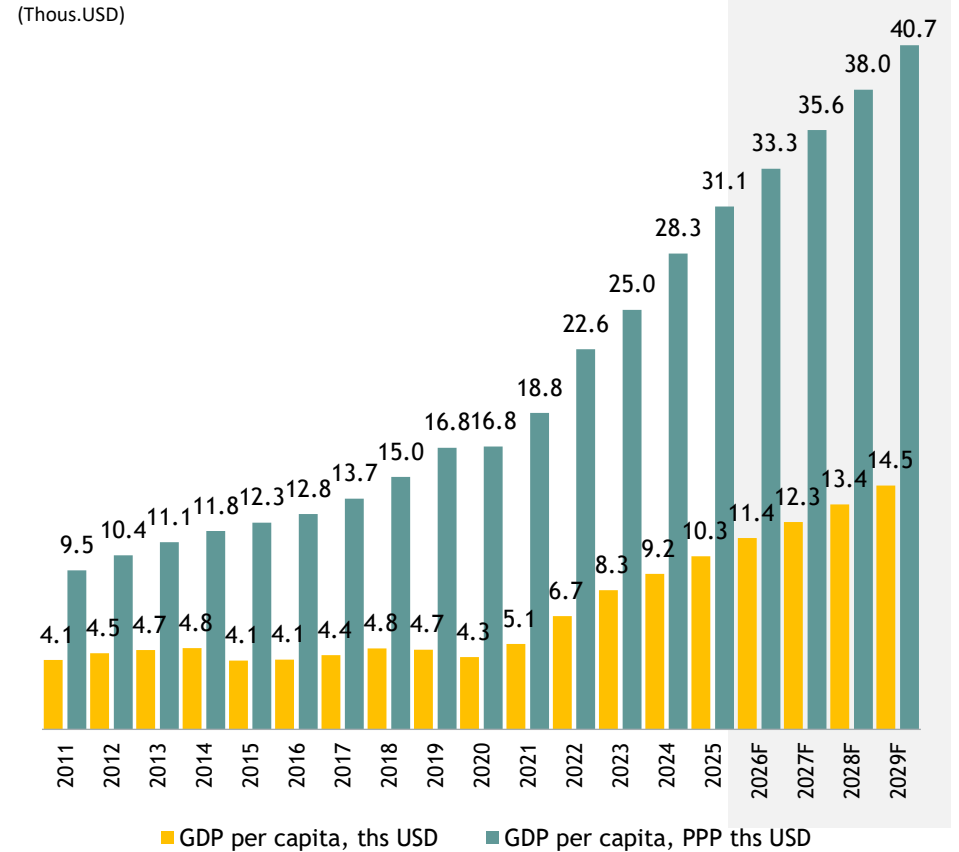
# Economic Growth

Georgia has achieved consistently strong GDP growth, averaging over 5% for the past decade and, annually, on average 9.3% for the past five years.

## Economic Growth and Forecast (%)



## GDP per capita (Thous.USD)

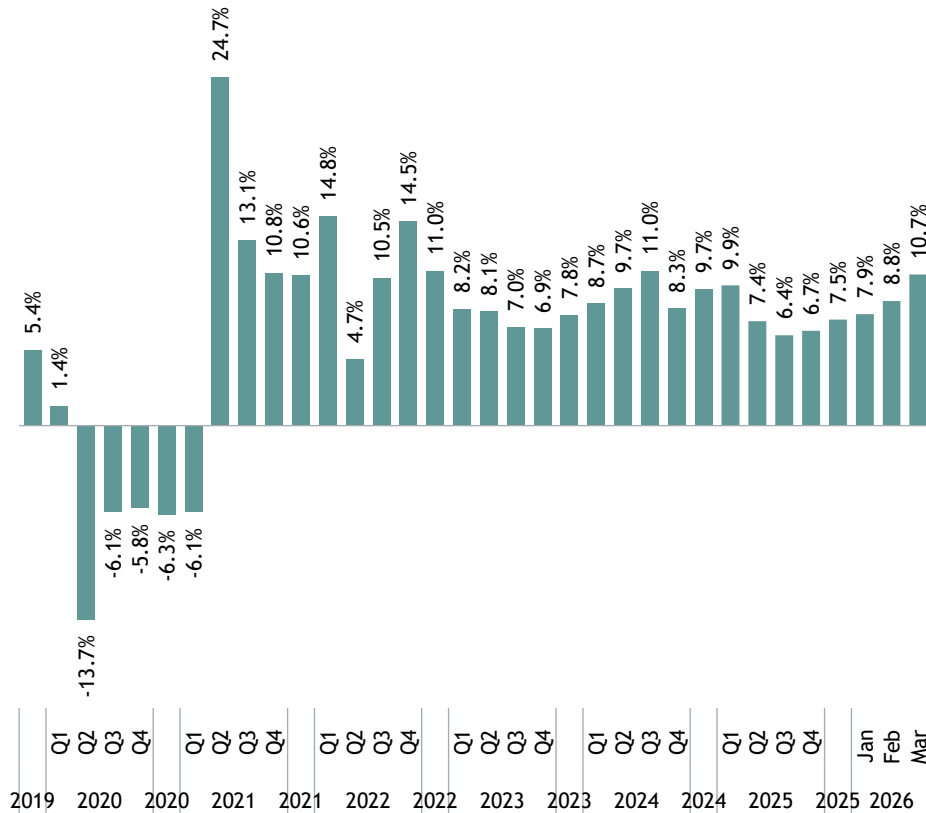


Source: GeoStat, MoF Forecast, IMF October 2025 WEO

# Economic Growth (cont'd)

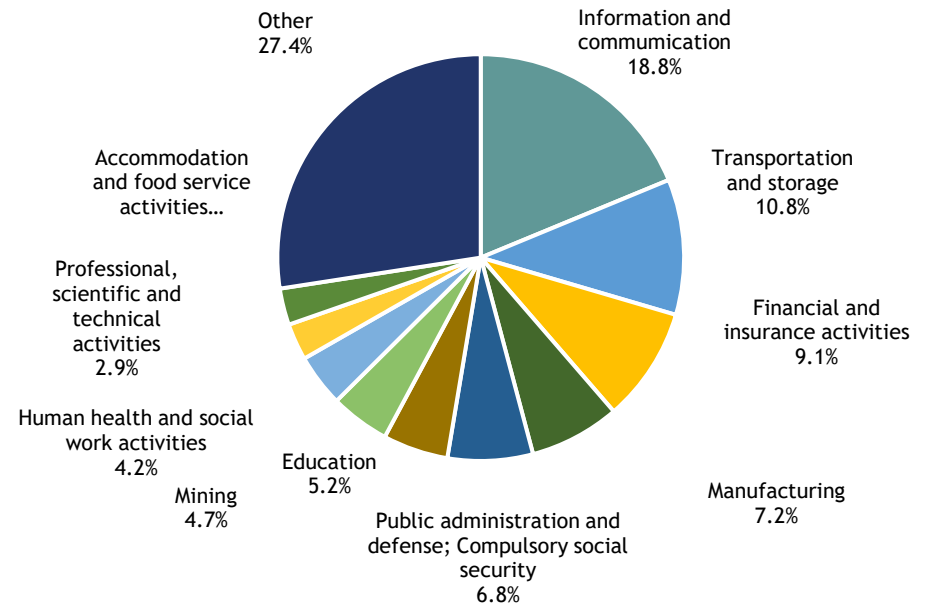
Following the 2021 rebound, Georgia's quarterly growth has remained strong. According to preliminary estimated, the economy grew by 7.5% in 2025, and the quarterly growth rates were 9.9%, 7.4%, 6.4% and 6.7% in 2025, and average 9.1% in January-March 2026.

## Quarterly Economic Growth



## GDP by Economic Activity

(February 2026, % of total)



Source: GeoStat, \*MOF estimations

# Robust Reform Agenda

While not currently under an IMF programme, Georgia has a robust and homegrown commitment to structural reforms. The Prime Minister has stated his commitment to comprehensive SOEs reforms.



## Human Capital

- Promotion of Vocational Education
- Law on Employment Services Labor Inspectors
- Health and Social Reforms



## Business Environment

- Adoption of Insolvency Legislation
- VAT Refund Reform
- Accounting Reform
- Enhancement of Land Registry



## Capital Market Reforms

- Investment Fund Law
- Government Securities Market
- Primary Dealer System Introduction



## Pension System Enhancement

- Pension Indexation
- New Law on Voluntary Private Pensions (the "3<sup>rd</sup> pillar legislation") which came into force in January 2024



## State Owned Enterprises

- Comprehensive reform based on the best international practice
- Financial oversight of SOEs
- Recently published IMF TA on SOEs supports future steps of the reform



## Energy/Environment Reforms

- Laws on Energy, Energy Efficiency and Water
- Electricity Market Development
- National Energy Efficiency Action Plan (NEEAP) strategy
- Black sea electro-transmission cable



## Connectivity and Mobility

- Development of Roads Infrastructure and Full Highway Spinal Network
- Georgia's Digital Strategy



## PFM Reform

- Public Investment Management Reform
- Tax expenditure reform
- Implementation of Various Fiscal Rules
- Enhanced Fiscal Risk Analysis (SOE risks, ESG risks)
- Full introduction of IPSAS
- Public Procurement Reform
- Enhancement of Macro and Fiscal Forecasting
- E-Governance



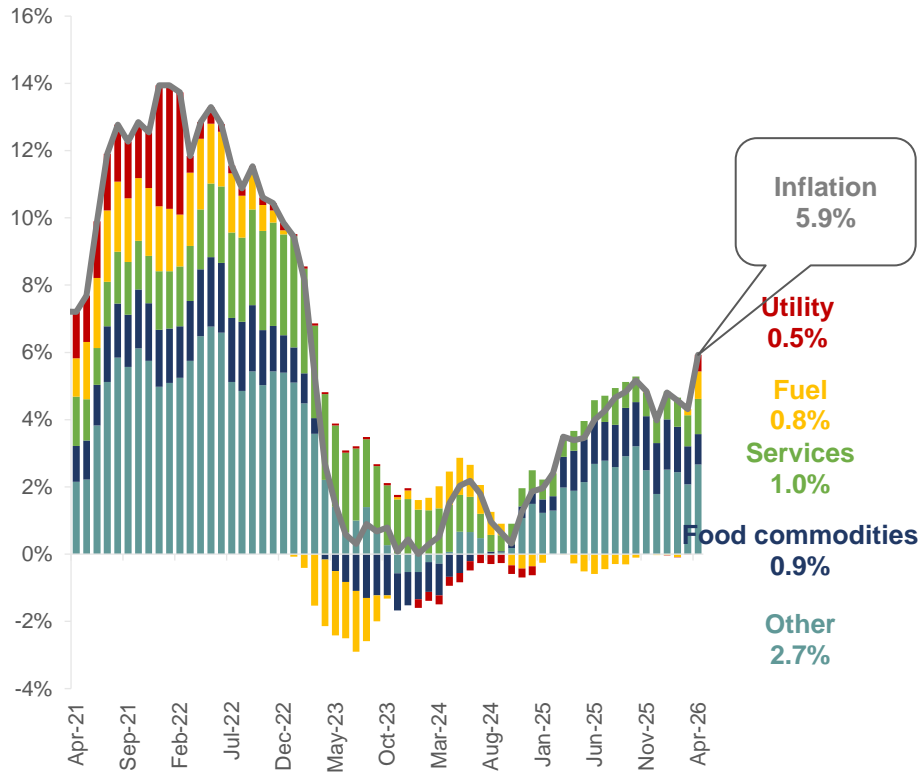
## Financial Sector Reform

- Implementation of deposit Insurance
- Banking Resolution Framework
- Introduction of Several De-Dollarization Measures

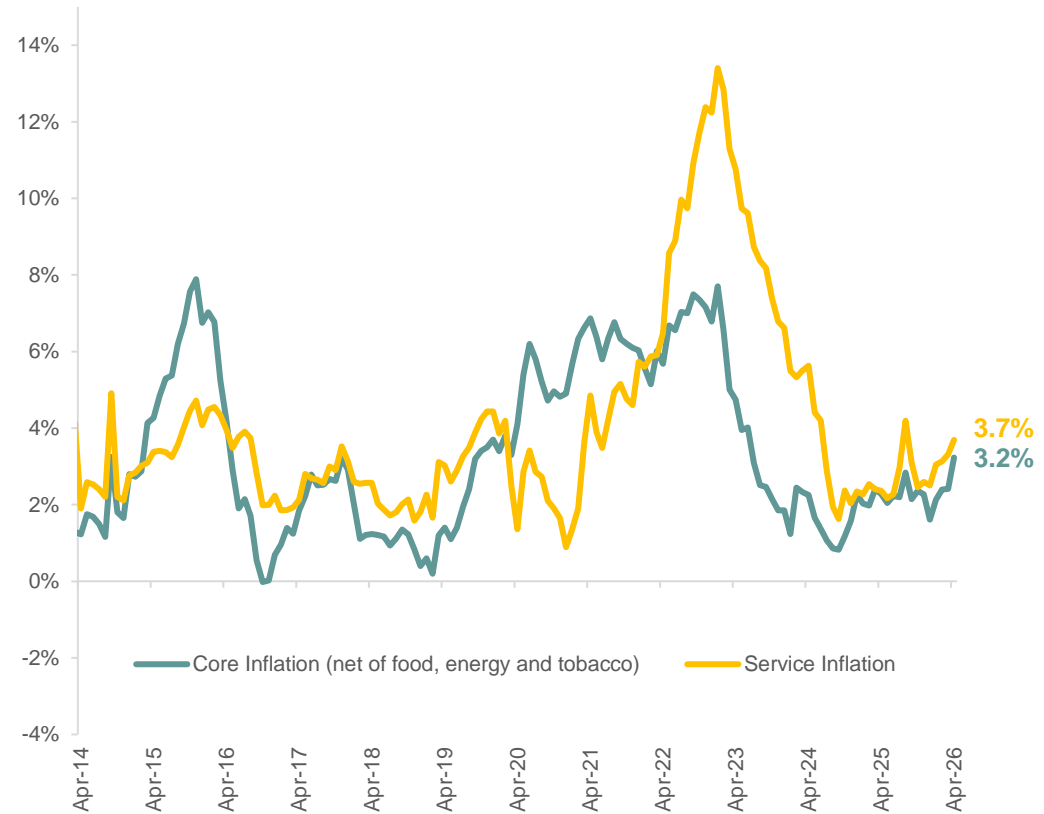
# Inflation

NBG has effectively maintained price stability, with inflation remained below the 3% target for an extended period. Recent geopolitical shocks and higher global commodity and energy prices have increased inflationary pressures, prompting a tighter monetary policy stance to contain inflation expectations and second-round effects.

### Inflation Composition by Product



### Sticky Price (Inflation Expectation Measures)

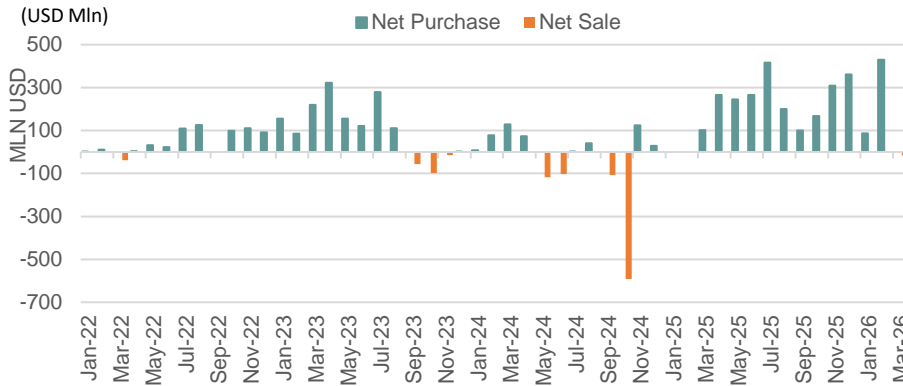


Source: GeoStat

# FX Interventions and Exchange Rate

Amid favorable market conditions, the NBG purchased foreign exchange and contributed by around USD 2.4 billion in reserves in 2025. Supported by strong fundamentals, the GEL remained relatively stable against the USD, while the real effective exchange rate (REER) gradually moved toward equilibrium, reflecting inflation differentials. At the onset of 2026, amid favorable market condition, NBG continued FX purchases in Jan-Mar 499.7 mln USD

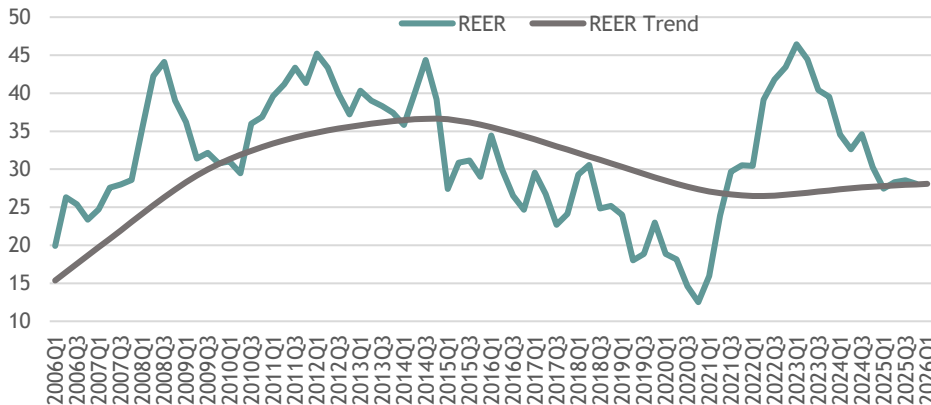
## FX Interventions



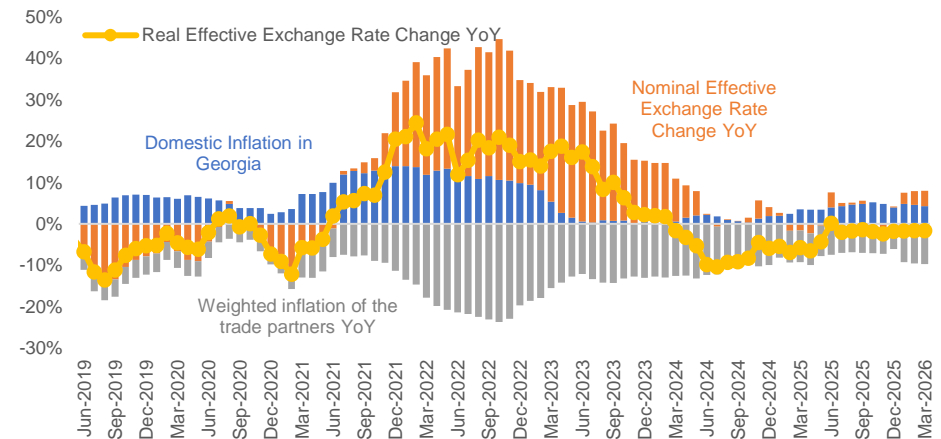
## GEL/USD Nominal Exchange Rate



## REER Trend and Actual



## REER Decomposition

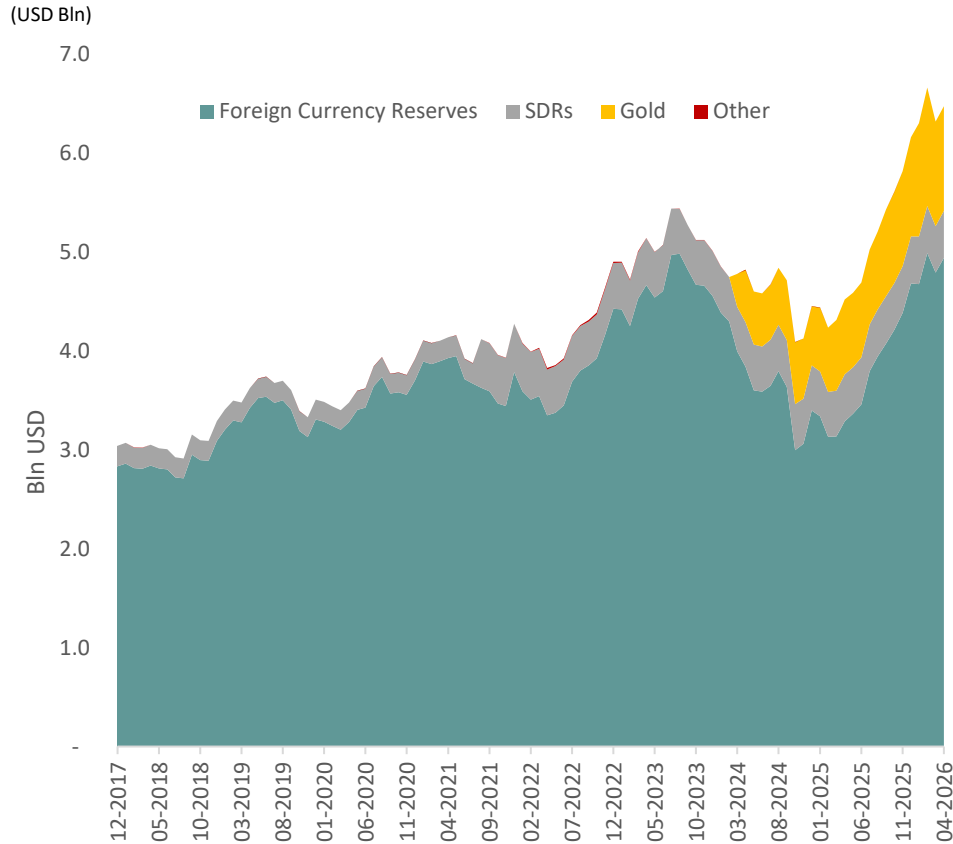


Source: Geostat, NBG, NBG's Estimate

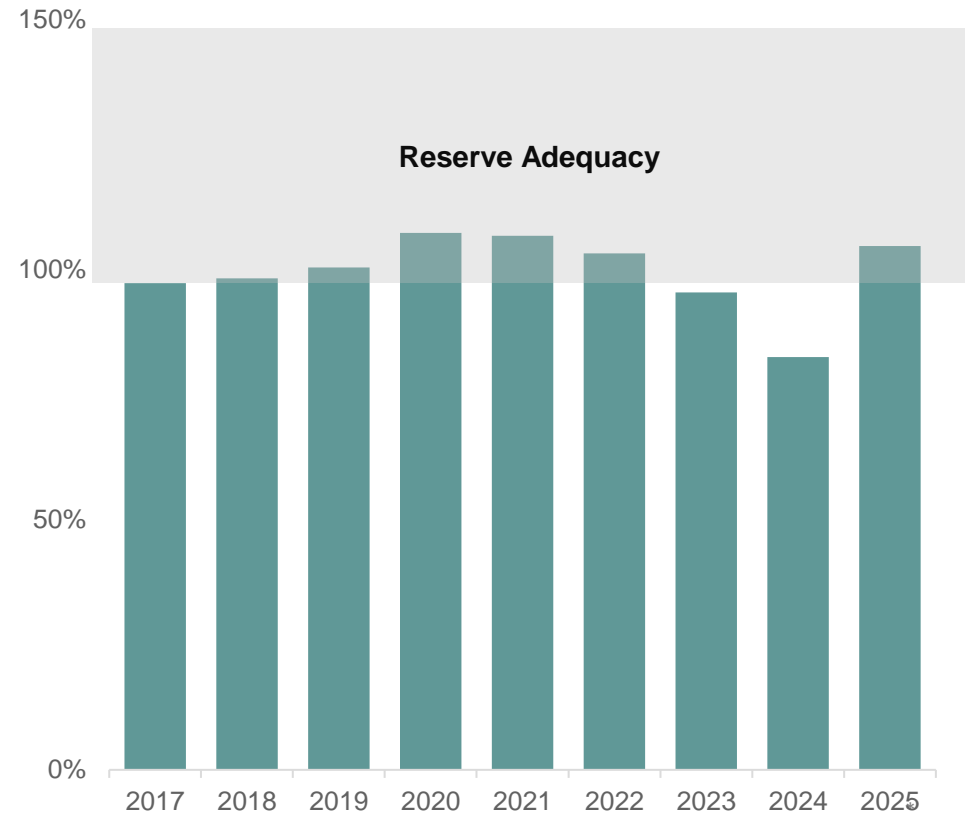
# International Reserves

Gross international reserves stood at USD 6.47 billion as of April 2026, exceeding minimum adequate level of the IMF's ARA metric. To enhance diversification, monetary gold was added to international reserves in March 2024. Since the beginning of 2025, the National Bank of Georgia has also resumed the accumulation of foreign currency reserves.

## Gross International Reserves



## Assessing Reserve Adequacy (ARA)

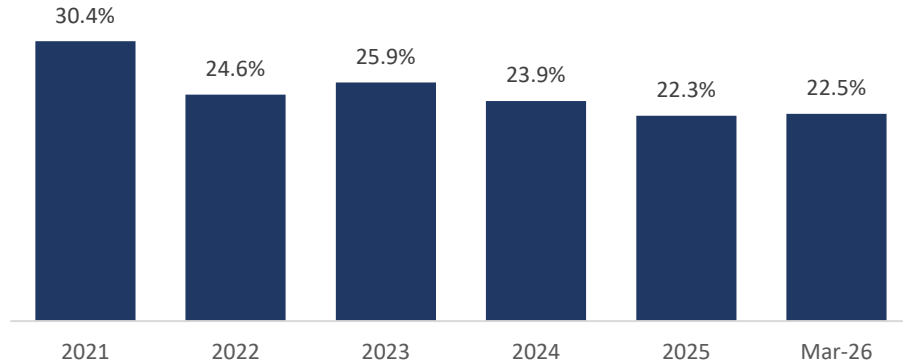


Source: NBG

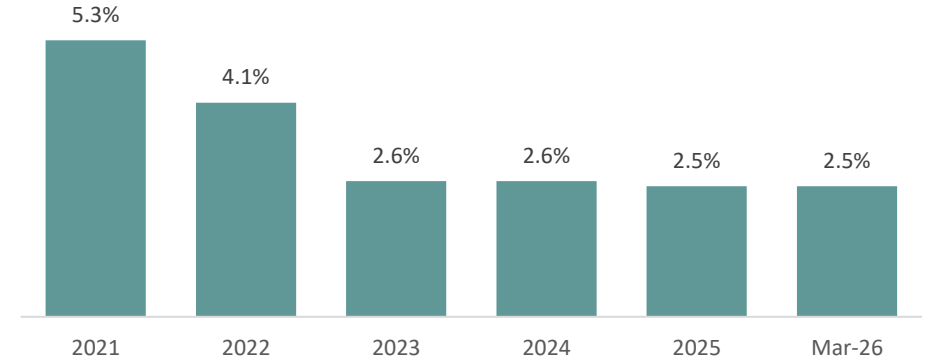
# Sound Banking Sector

Banking sector remains well-capitalised liquid and profitable, supported by high net interest income and low non-performing loans.

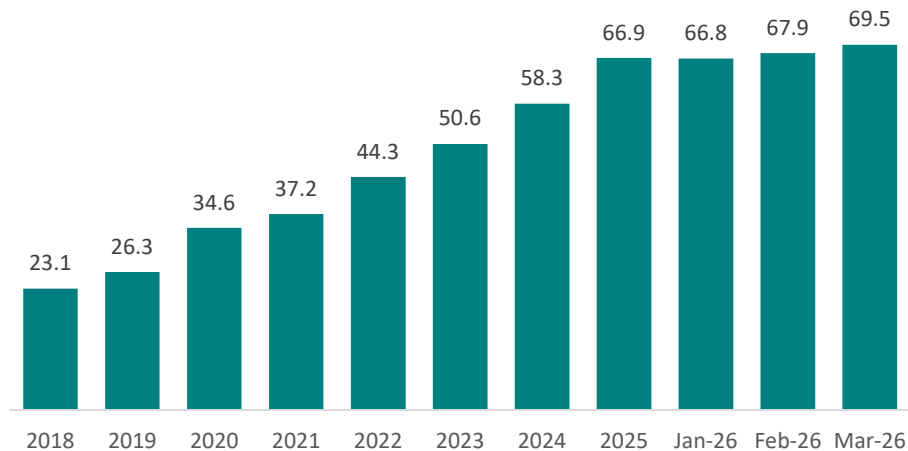
## Return on Equity



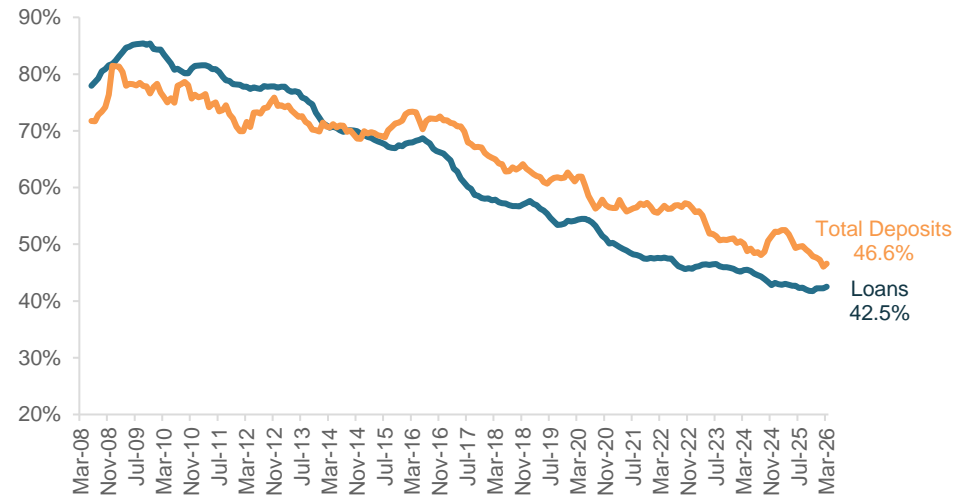
## Non-performing Loans



## Banking Sector Deposits (excl interbanks, Bln Gel)



## Dollarization (Excl. Exchange Rate Effect)



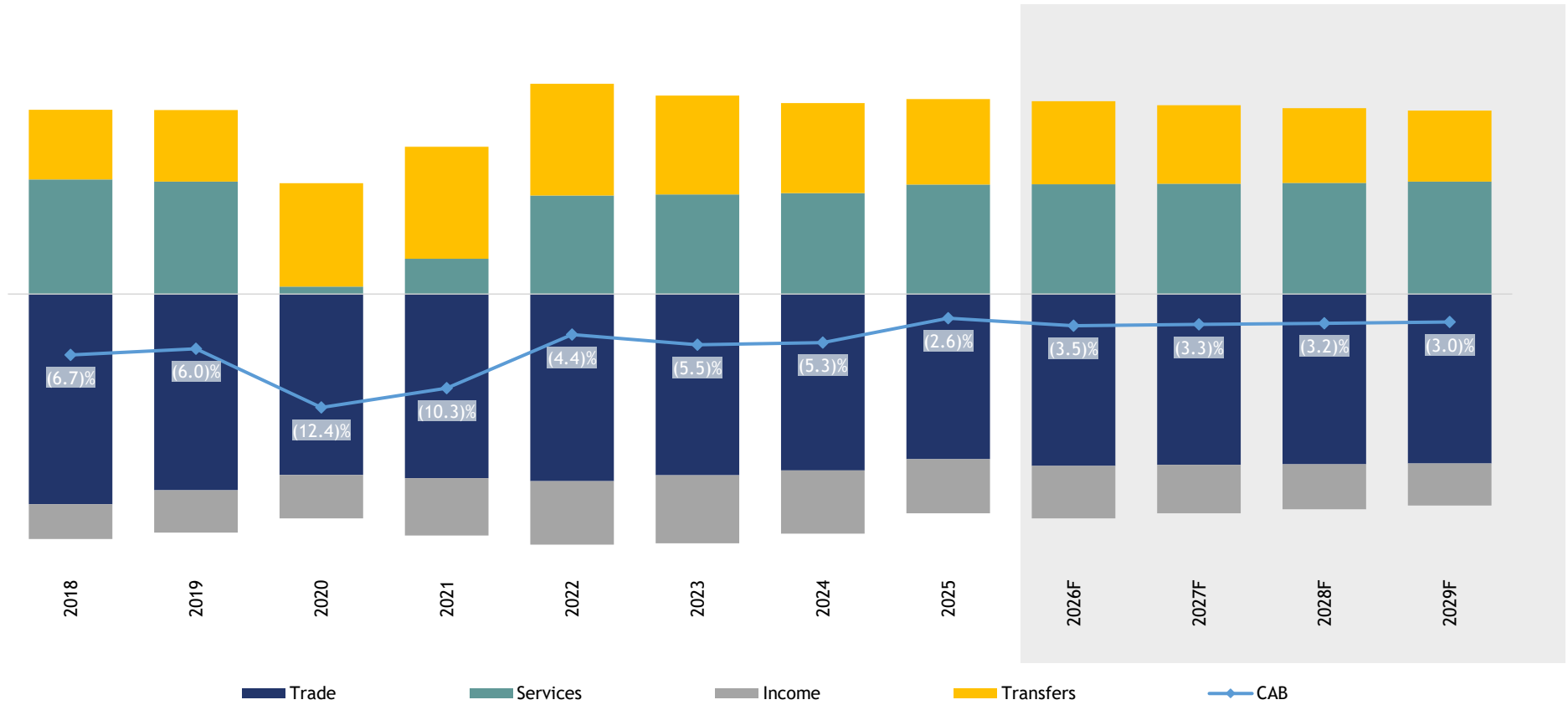
Source: NBG

# Record Low Current Account Deficit & Savings Recovering

The current account deficit has narrowed since the post-pandemic recovery and is projected to continue declining.

## Current Account Balance (CAB)

(% of GDP)



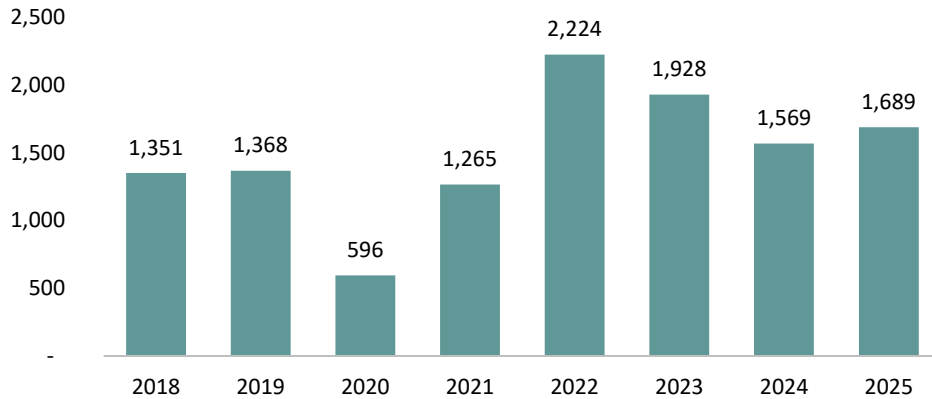
Source: NBG, GeoStat

# Resilient External Sector

Robust inflows of foreign direct investment and growing tourism receipts bolster Georgia's resilience to external shocks. Georgia's tourism sector has quickly rebounded to pre-pandemics levels and is on an upward trajectory.

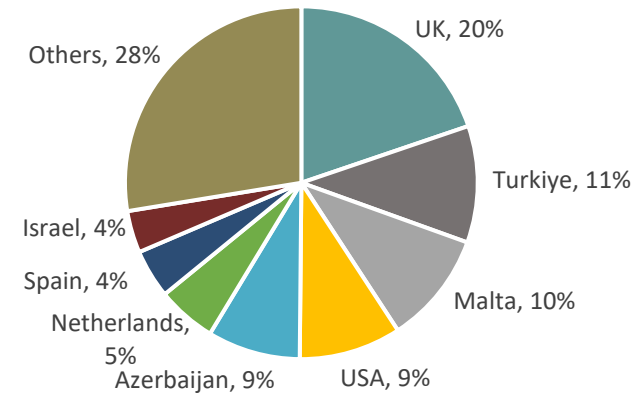
## Foreign Direct Investment

(USD Mn)



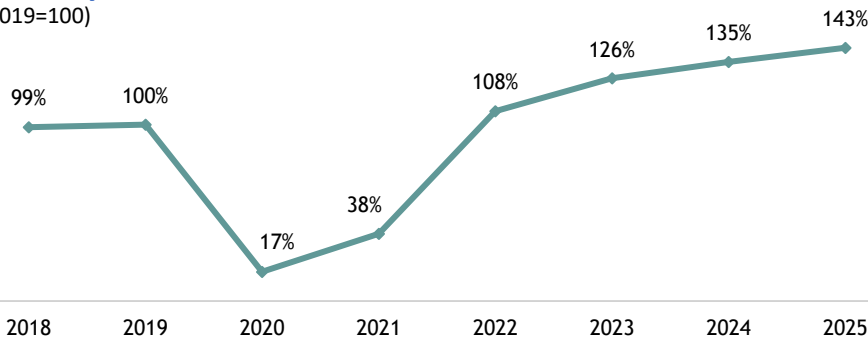
## Foreign Direct Investment Inflows by Country

(% of Total, 2025)



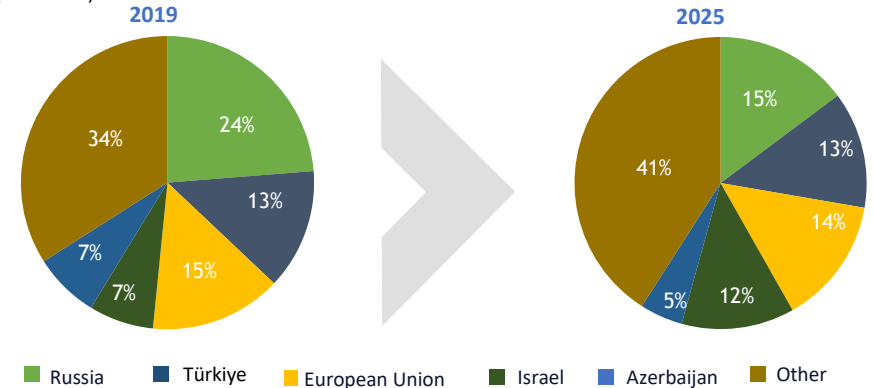
## Recovery of Tourism Revenues

(2019=100)



## Tourism Sector Revenues by Country of Origin

(% of Total)



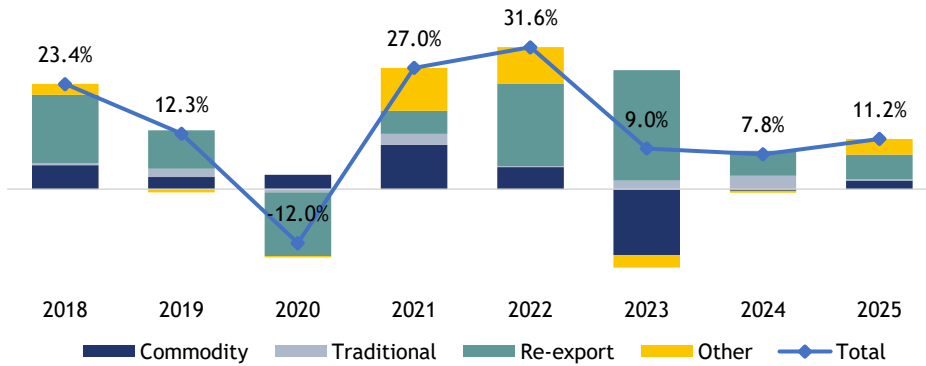
Source: GeoStat, NBG

# Improving Global Trade Balance

Robust recovery in the external sector, is also marked by a significant diversification across Georgia's trading partners and by Georgia's emerging role as a key transit route for Trans-Caspian trade and cargo movement.

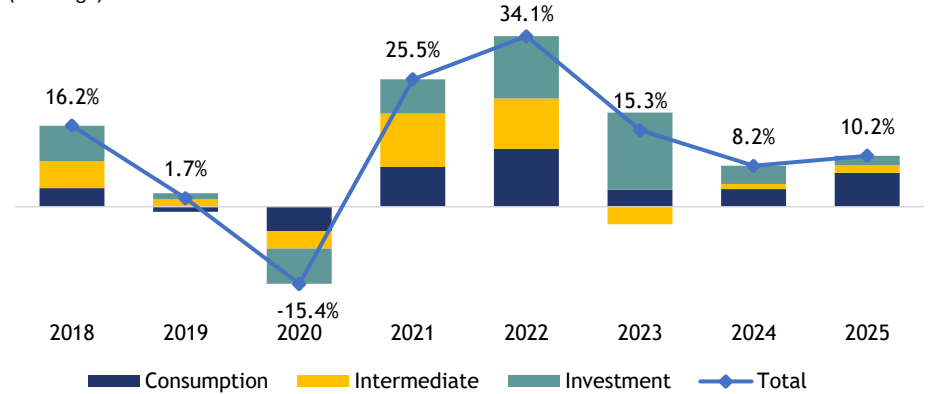
## Export Growth Composition

(% change)



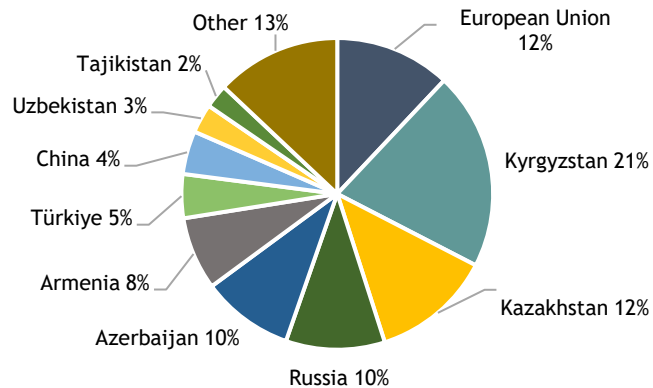
## Import Growth Composition

(% change)



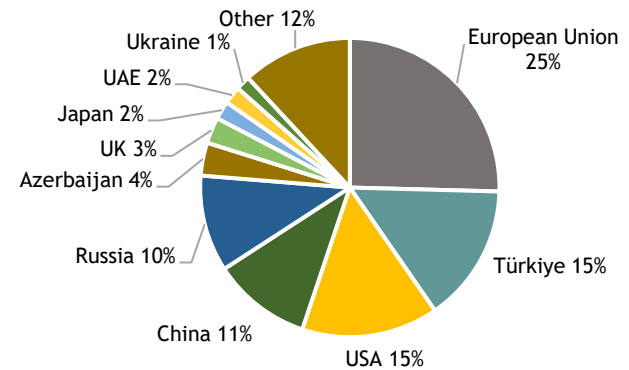
## Top Trading Partners in Total Exports

(2025, % of total exports)



## Top Trading Partners in Total Imports

(2025, % of total imports)



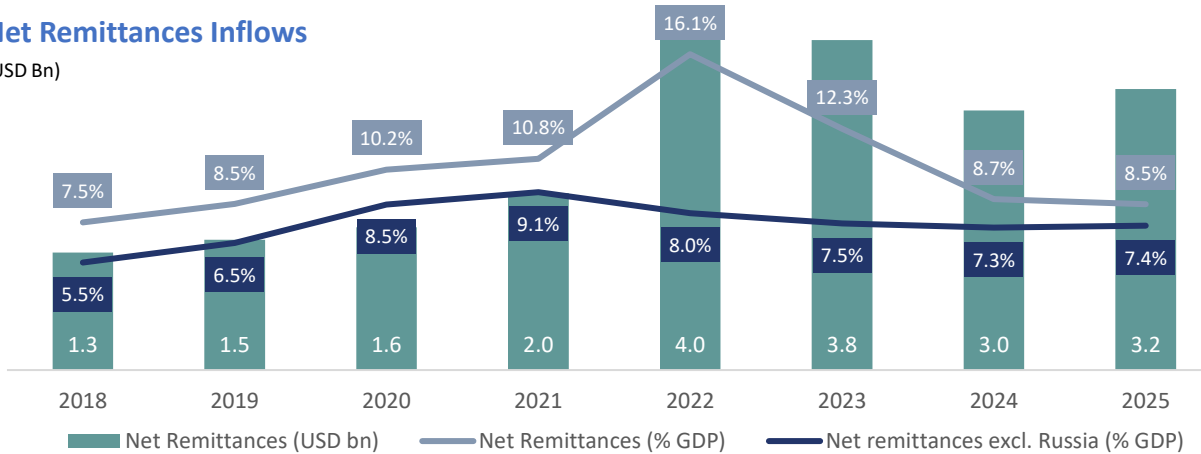
Source: GeoStat, NBG

# Remittances Evolution

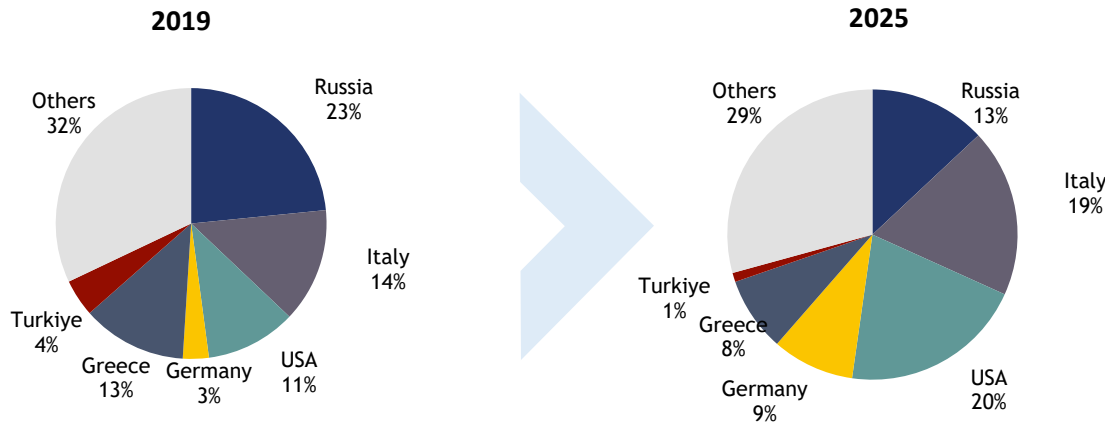
The impact of remittance from Russia started to decline from May 2023, while inflows from other countries show growth tendencies around 10% establishing a more diversified base of remittances.

## Net Remittances Inflows

(USD Bn)



## Net Remittances Composition Evolution



Source: NBG, MOF calculation

## Net Remittances as of 2025

- ✓ For 2025, net remittances were estimated at **USD 3,229mn**, representing a **14.8% annual decrease** compared to 2024
- ✓ Relative to 2019, **net remittances increased by 115.8%**
- ✓ Between 2019 and 2025 net remittances increased by:
  - ✓ **USA**: +285.4% (contributing 33.1pp to total growth)
  - ✓ **Italy**: +157.9% (24.8 pp contributions to overall growth)
  - ✓ **Germany**: +569.1% (17.4 pp contribution to overall growth)

# The Middle Corridor as a Pathway for Economic Growth

The Middle Corridor, also known as the Trans-Caspian International Transport Route (TITR), provides the shortest rail route connecting Europe and China. This enables Central Asia to capitalise on its geographic centrality and transform development investment into a pathway for accelerated economic growth.



## Key Facts

- ✓ **Fastest and most direct route between Western China, Central Asia and Europe**, bypassing both Russia's Northern Corridor and the Suez Canal including railways, integrating ports, customs systems, and digital transforms across several countries
- ✓ Once goods cross the Caspian Sea, the **Baku-Tbilisi-Kars (BTK) Railway**, facilitates seamless travel connecting Azerbaijan, Georgia and Türkiye
- ✓ **Cargo volume in TITR has grown 300-400% since 2021**, and forecasts suggest that by 2030, the route could handle between 10-15 millions tons of cargo annually

## International Investment into the Corridor

- ✓ The **EU has committed to support the TITR including EUR 12 bn** at the first EU-Central Asia summit in April 2025 with investments targeting developing infrastructure and transport to deepen cooperation on raw materials, digital connectivity and energy
- ✓ **Black Sea Submarine Electricity Cable** has been granted the status of Mutual Interest by EU, connecting electricity Grids between **Georgia and Romania**, seabed study underway finance through WB
- ✓ Formal **cooperation between Georgia and China**, marked by a **2024 MoU** focused on infrastructure, customs, and digital optimization alongside China's involvement in a JV with Georgia, Kazakh and Azerbaijani railways
- ✓ Multiple initiatives supporting the development of the TITR, with support from **DFIs like the WB, EIB, EBRD and AIIB**.

# Resilient Fiscal Sector & Robust Debt Management Strategy

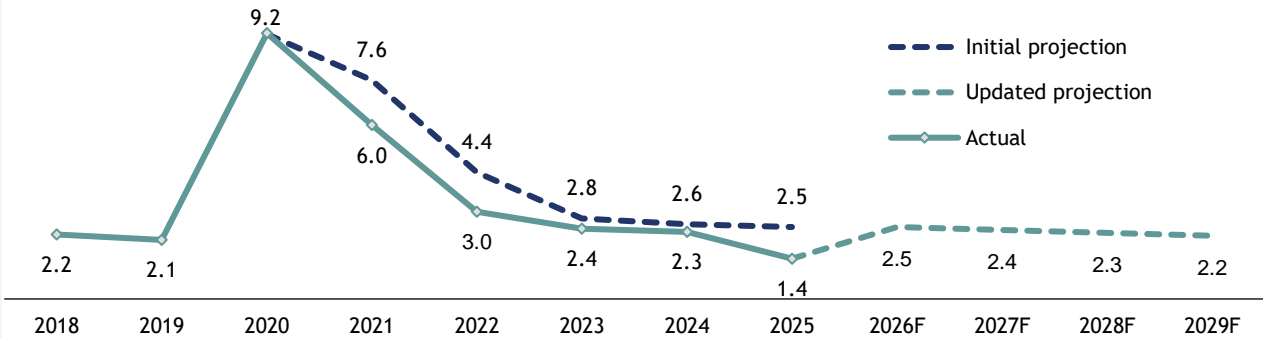
Georgia has implemented a robust debt management strategy with key initiatives on track. General government debt levels have returned to pre-pandemic levels faster than originally projected.

## General Government Debt Management Strategy 2025-2029

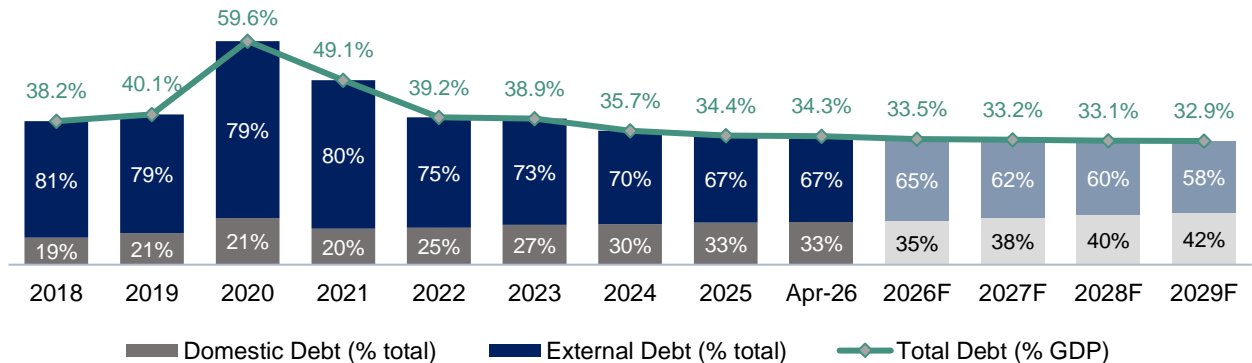
- **Maintain Government debt to GDP at a sustainable level (40-45%) - Achieved**
- **Reduce FX exposure to 65 percent - Largely Achieved.**
  - *As of the end of April 2026, external debt was reduced to 67%, which shows that the strategy of diversifying debt portfolio composition is very well on track*
- **Optimisation of the cost and risk of the government debt portfolio**
- **Development of domestic security market – On Track**
  - *Facilitate growth of domestic securities market by improving liquidity, building large benchmarks, active use of liability management operations, fostering the secondary market development, and focusing on expanding investor base.*

## Budget Deficit (IMF Program Definition)

(% of GDP)



## General Government Debt

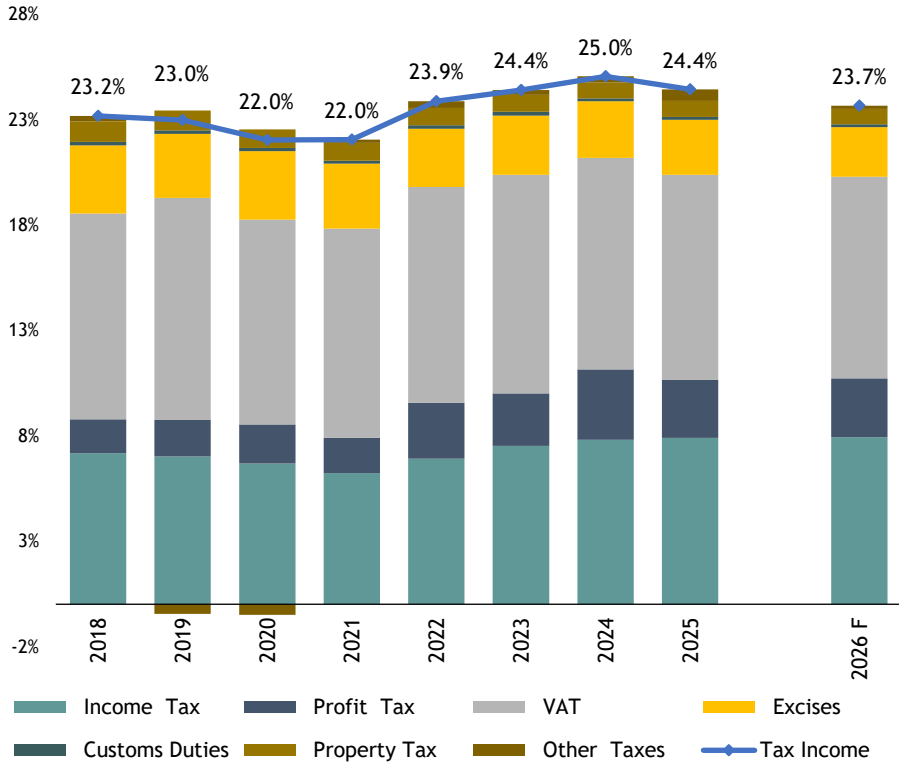


Source: MoF, GeoStat

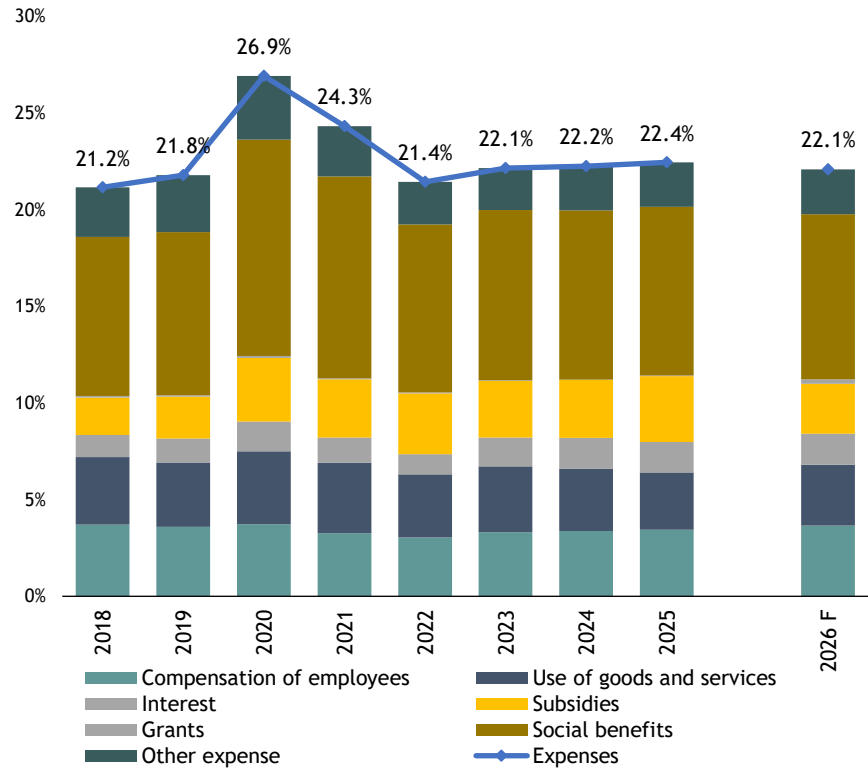
# Credible Fiscal Performance

Georgia has achieved increasing tax income and maintains healthy tax revenue to GDP ratio due to efficient tax administration while maintaining low tax rates. Georgia's draft state budget for 2026, also points out its focus on fiscal discipline and conservative macroeconomic planning.

**Tax Income**  
(% of GDP)



**Current Expenditure**  
(% of GDP)

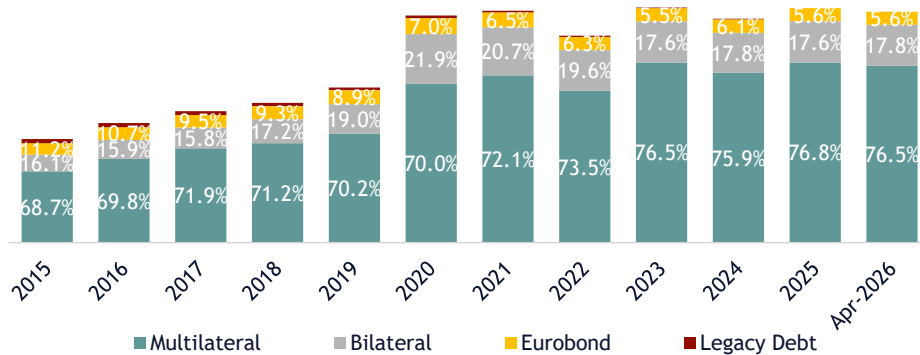


Source: GeoStat, MoF Estimations

# External Debt Composition

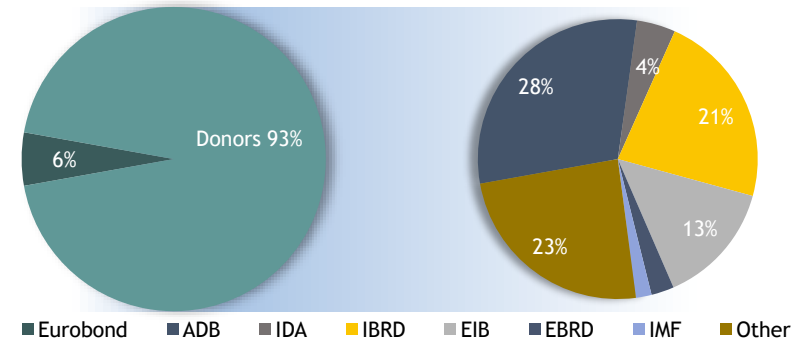
Georgia has diversified and largely concessional external debt. The Governments is also working on reducing its FX exposure, particularly to USD, which has decreased by more than 10 percentage points over the past four years, reaching a historical low of 66.7% as of April 2026.

## External Debt Structure

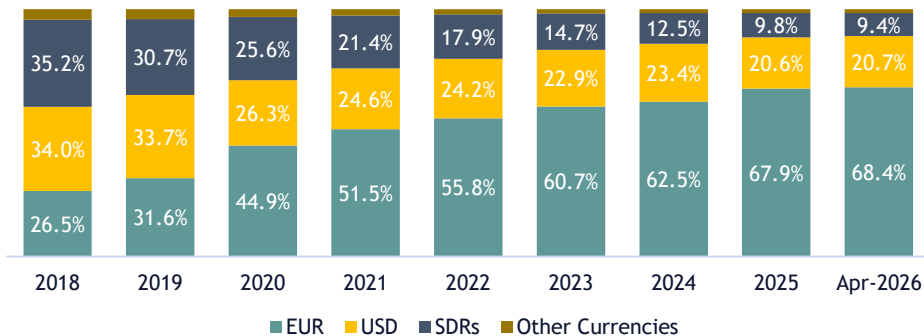


## External Debt by Creditors

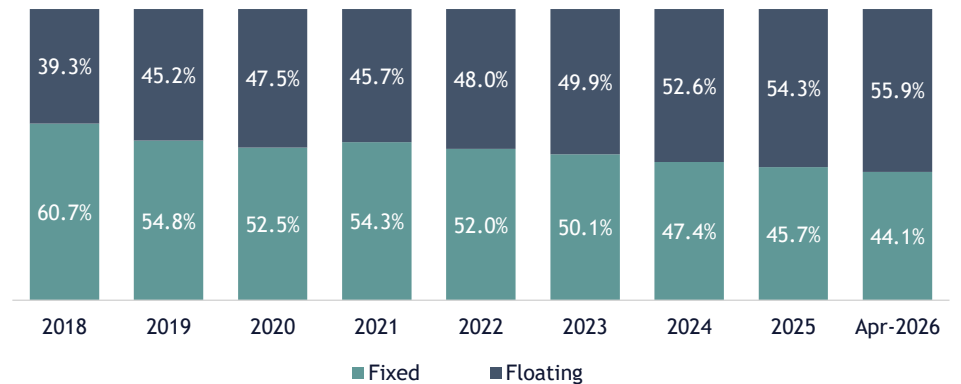
(As of 30<sup>th</sup> April 2026)



## External GG Debt by Currency Composition



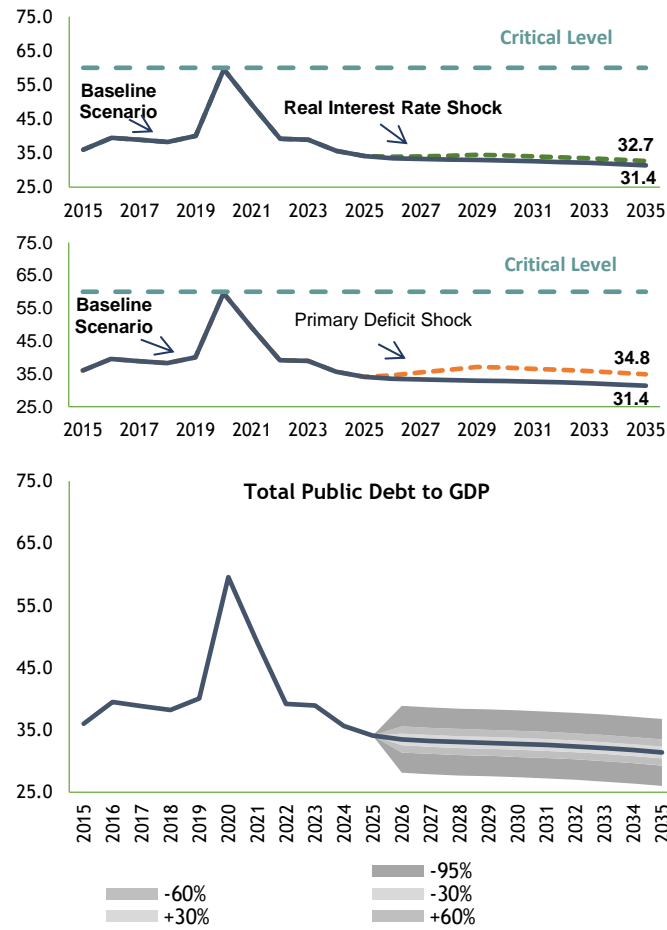
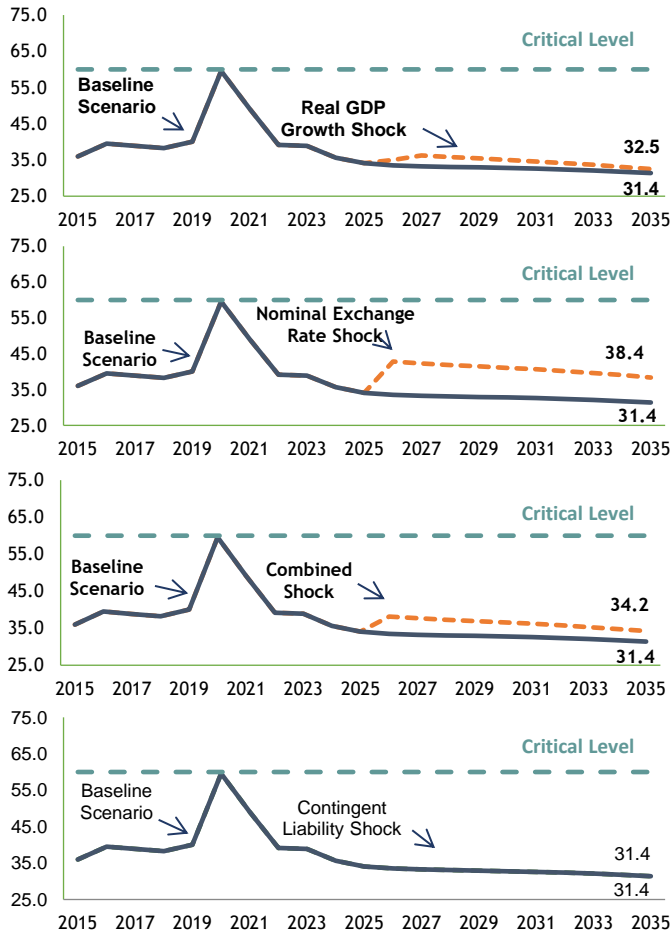
## External Debt by Interest Rate Type



Source: MoF

# Debt Sustainability Analysis (DSA)

The Government of Georgia has conducted a Debt Sustainability Assessment, which assessed the debt to remain sustainable under various macroeconomic shocks. Even in case of 30% GEL/USD depreciation, the debt level stays below the 60% debt rule threshold.



### IMF Debt Sustainability Analysis (DSA)

- ✓ As part of the IMF's DSA, Georgia's government debt is similarly assessed to be sustainable and the overall risk of sovereign debt distress assessed to be low.
- ✓ Public debt is expected to remain broadly stable around 34-36 percent of GDP with prudent fiscal policy and robust economic growth under the baseline scenario
- ✓ The IMF also highlighted how the authorities are pursuing prudent debt management policies aimed at reduce exchange rate risk, managing borrowing costs and ensuring long-term sustainability

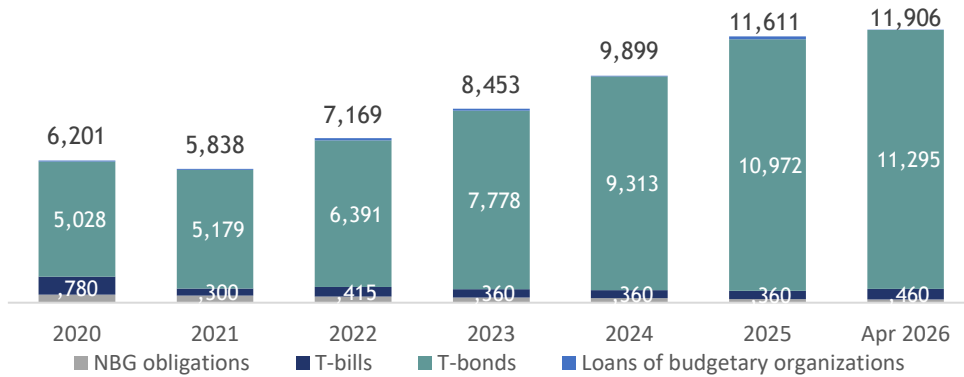
Source: MoF Estimates, IMF Article IV July 2025

# Domestic Debt Portfolio

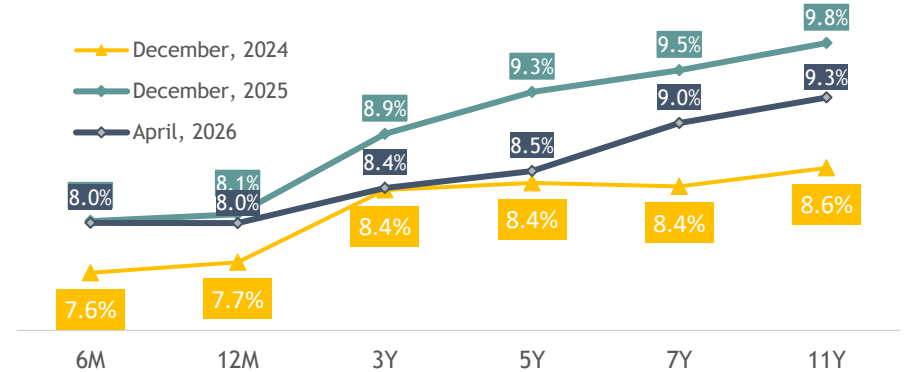
Georgia's domestic market is relatively liquid with favourable conditions. The authorities are supporting its development through the introduction of new domestic debt instruments, including 3, 5, and 7- year treasury bonds, with strong demand for longer maturities.

## Government Domestic Debt Split

(GEL Mn)

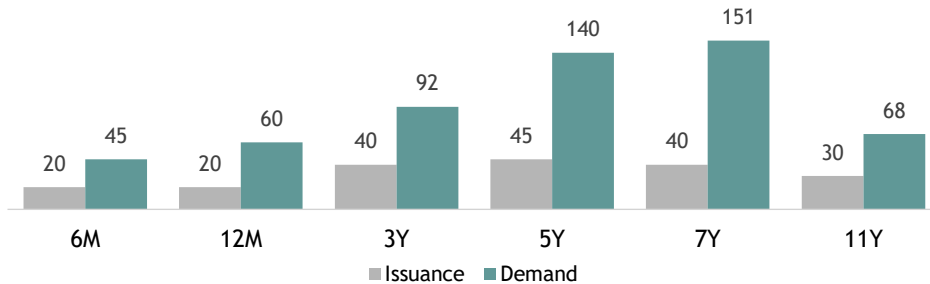


## Weighted Average Interest Rates



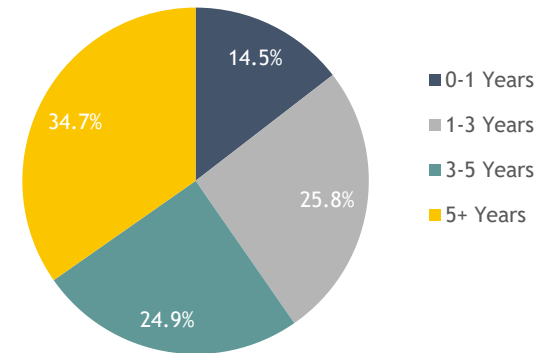
## Issuance and Demand of Treasury Securities

(GEL Mn)



## Government Securities Portfolio by Residual Maturity

(As of April 30, 2026)



Source: MoF

# Primary Market of Georgia's Treasury Securities

## General Information for Treasury Securities Issuance

- Primary issuance is conducted via multiple-price auctions (Monthly);
- A quarterly auction issuance calendar is published in advance;
- Auction sizes are pre-announced and fixed;
- Direct participation in auctions happens through commercial banks;
- Georgian Government Securities are Clearstreamable;
- The MOF regularly conducts liability management operations, including **switches** and **buybacks**;
- For LMOs bids are accepted based on their deviation from the theoretical prices (No more than 25 bps).

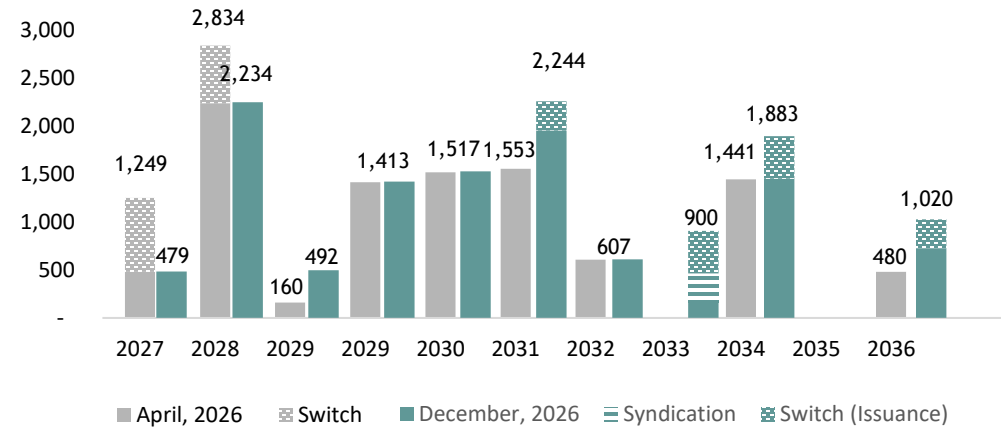
### Additional Issuance Plans:

- In addition to auctions, the MOF plans **a large benchmark issuance via syndication** (subject to market conditions) tentatively in Q2 2026 to support investor base diversification;
- Issuance size will be around **300-400 mln GEL**, within the originally planned volume of net issuance of **1800 mln Gel**;
- Potential Local brokers/Investment Banks ([Galt & Taggart](#); [TBC Capital](#)) are expected to be included in the syndicate group.
- Investors can place their bids to the auction in the same way as they do it now.

Source: MoF

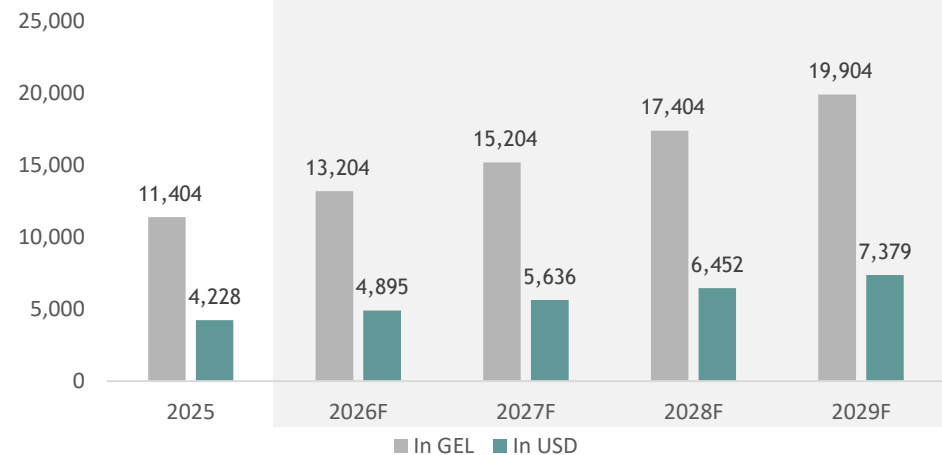
## Current vs Year-End Sizes of Benchmarks

(GEL Mn)



## Treasury Portfolio Size

(GEL Mn)





Thank You for Your Attention

May - 2026