



საქართველოს ფინანსთა სამინისტრო
Ministry of Finance of Georgia

Economic Outlook for Georgia

November, 2025

Georgia at a Glance



Tax Policy and FTAS

0%

Corporate Income Tax on retained earning access to 2.8 BLN

B-READY

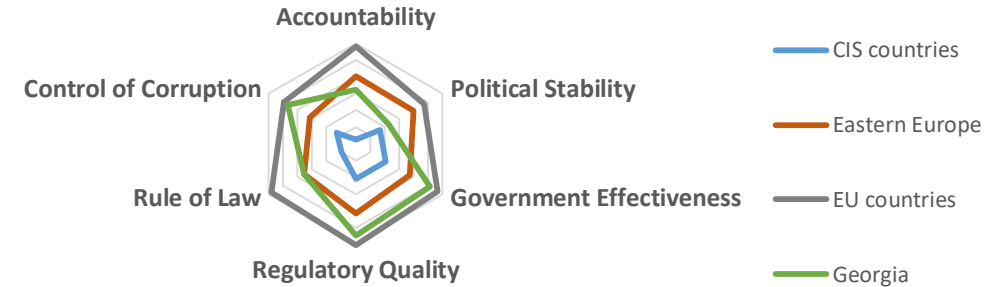
- Reg.Frame- 3rd
- P.Services-14th
- Op.Efficie-2nd

World Bank's B-READY 2024 study

Open Budget Transparency

#1

IBP Index 2023
<https://internationalbudget.org/open-budget-survey/rankings>



Investor Friendly Business Environment

- ❖ **No** barriers for market entry and exit
- ❖ **No** restrictions on purchases of local assets by foreigners
- ❖ **No** restrictions on capital repatriation
- ❖ **No** restrictions on purchasing/selling foreign currencies
- ❖ **No** restrictions on money transfers.
- ❖ **No** taxes on government securities

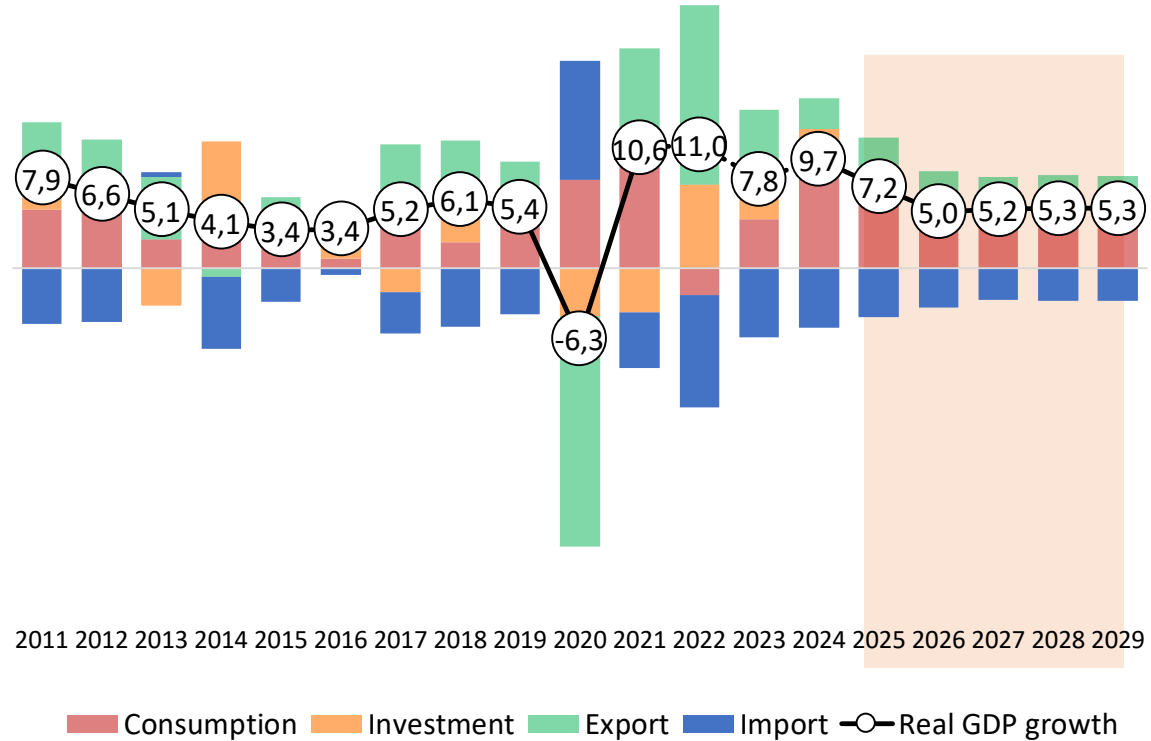
GDP 2024:	34.2 bn USD
GDP per capita 2024 PPP:	28,299 Int. Dollar
GDP per capita (2024):	9,141 USD
Real GDP growth 2024:	9.7 %
Average inflation rate (2010-2023):	4.7 %
Average Inflation 2024 inflation:	1.1%
Government debt/GDP 2024:	36.1 %
Current Account balance/GDP 2024	-5.3

Source: MOF, GeoStat, IMF, WB

Rating Agency	Rating	Outlook	Affirmed
Fitch Ratings	BB	Stable	Nov. 2025
S&P Global	BB	Stable	Aug. 2025
Moody's	Ba2	Negative	Mar. 2025

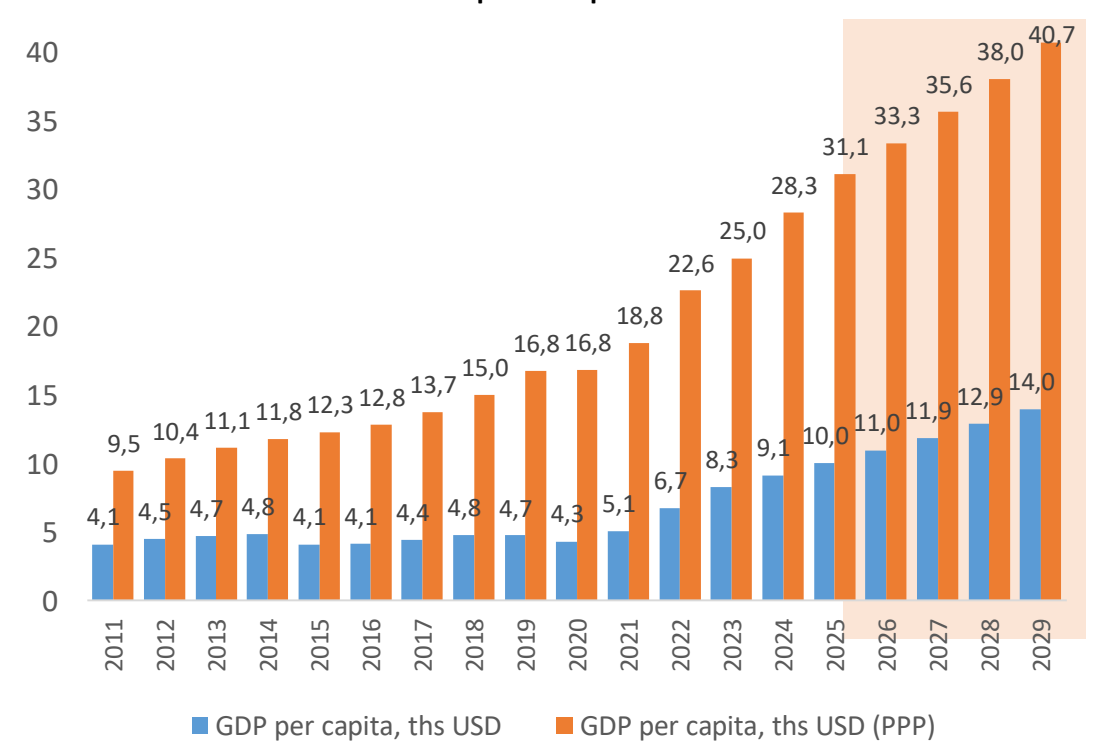
Economic Growth

Economic Growth and Forecast



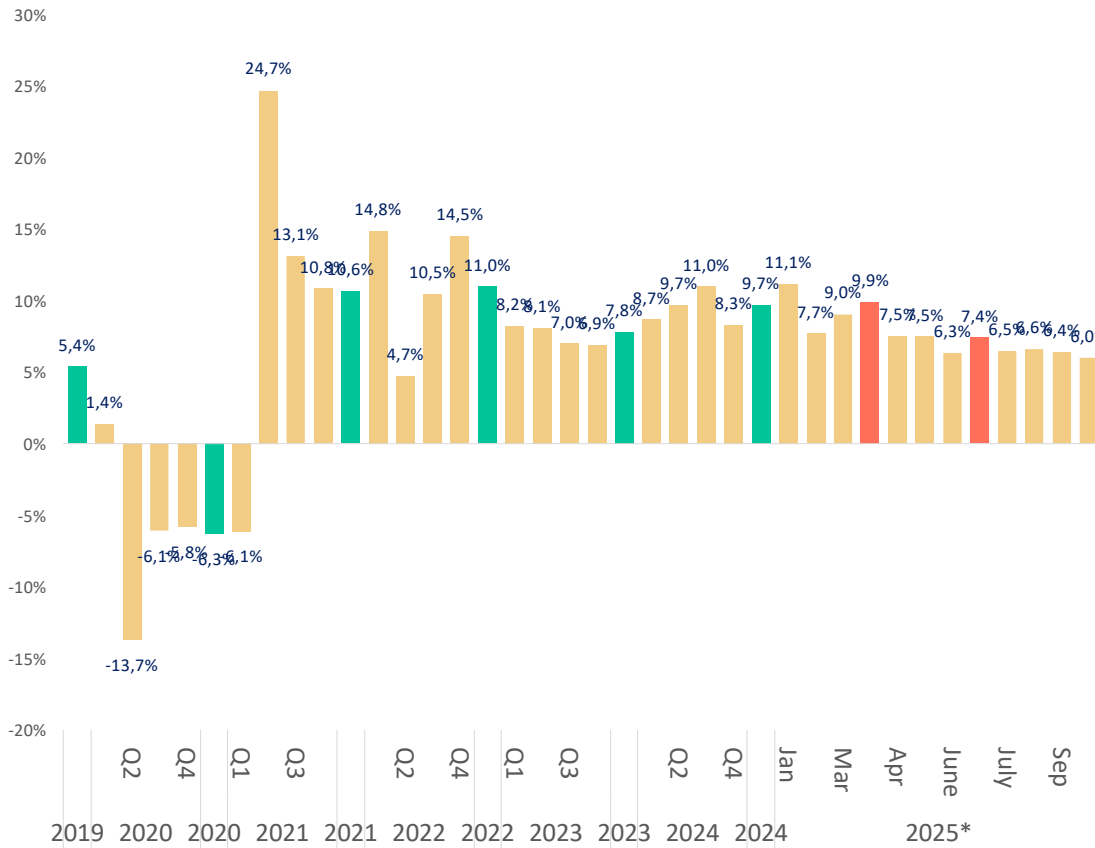
Source: GeoStat, MOF Forecast

GDP per capita



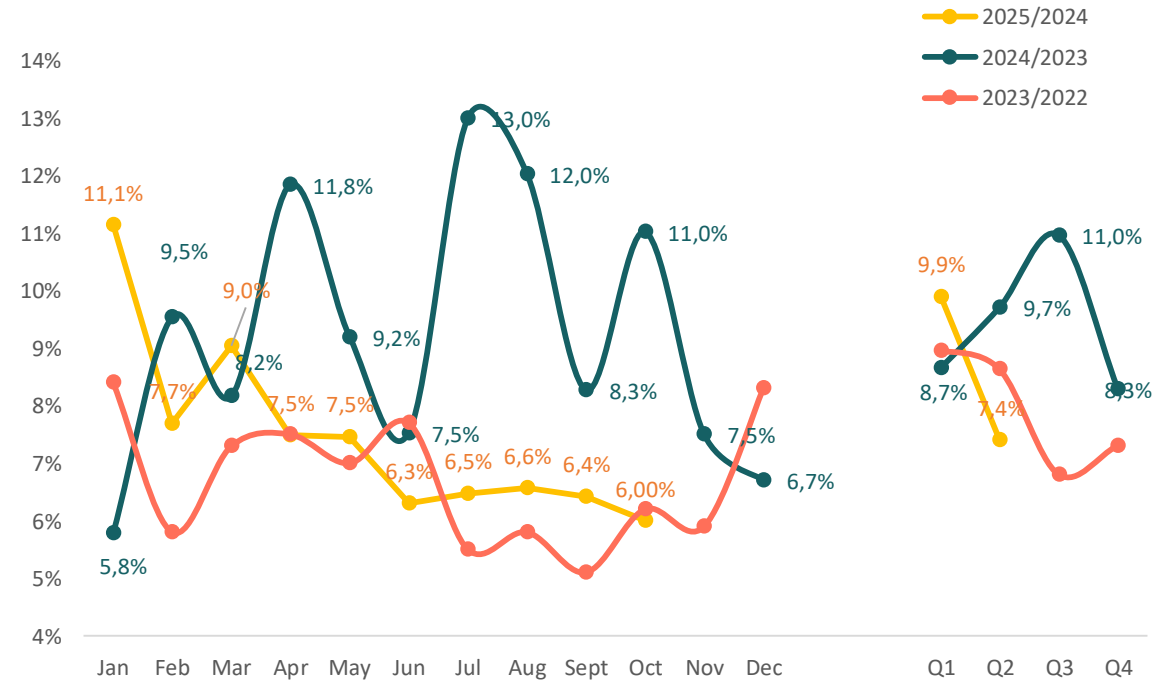
Source: MOF, IMF, October 2025 WEO

Economic Growth



Source: GeoStat, MOF estimations

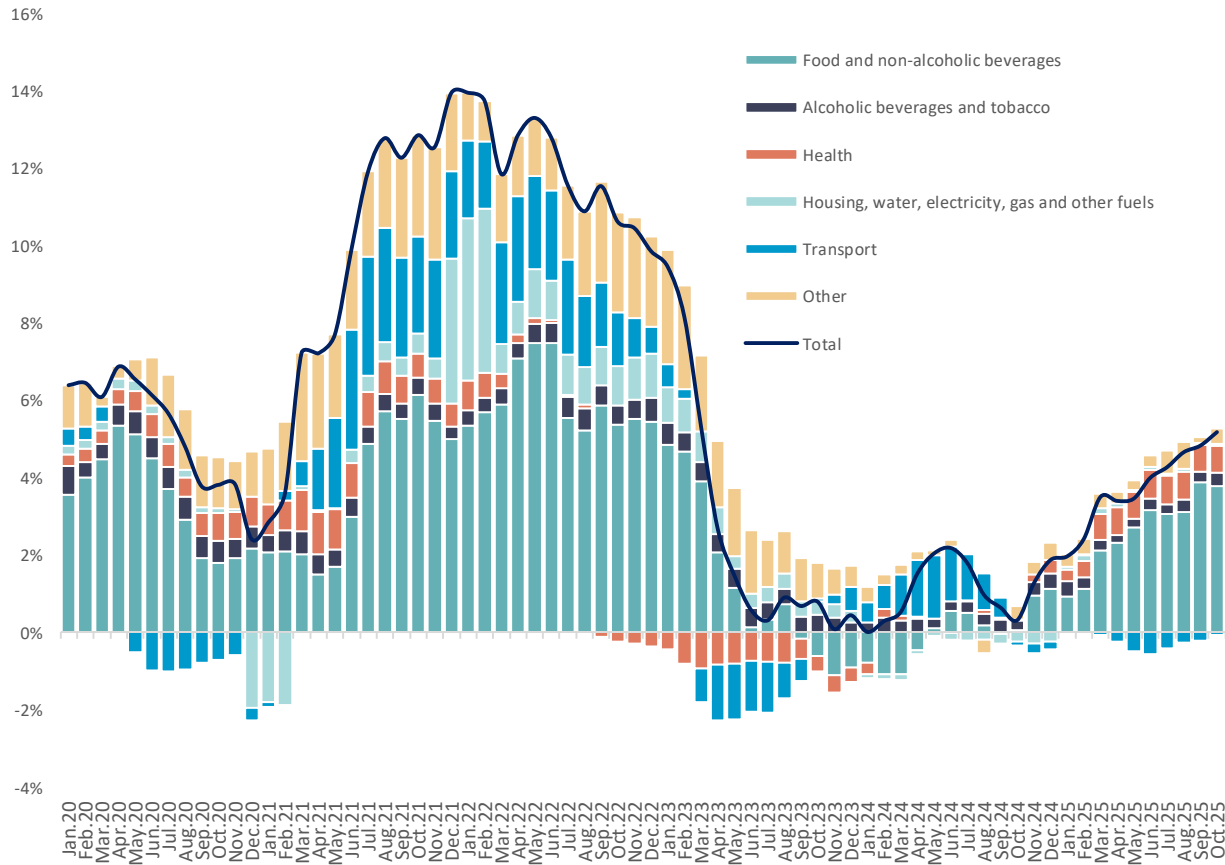
Monthly Economic Growth



Source: GeoStat, MOF estimations

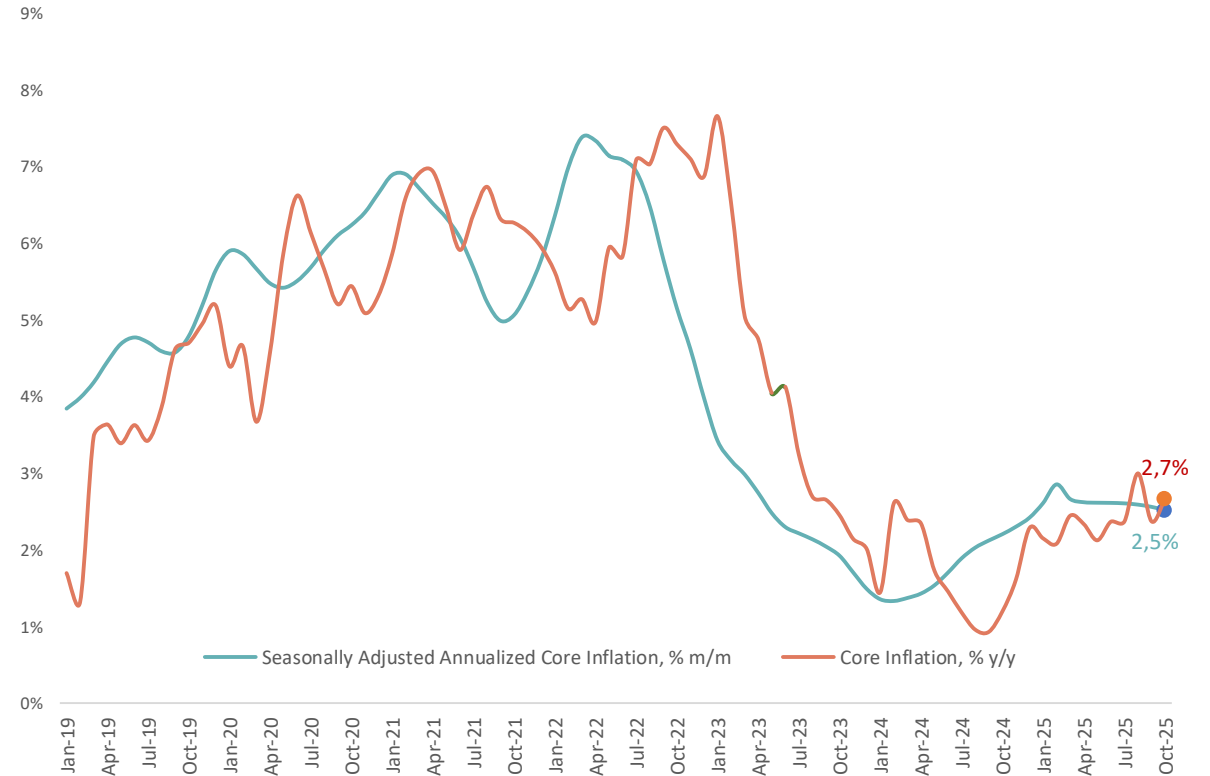
Inflation Decelerates, One-Off Factors Fading Out

Inflation Decomposition by Product Group



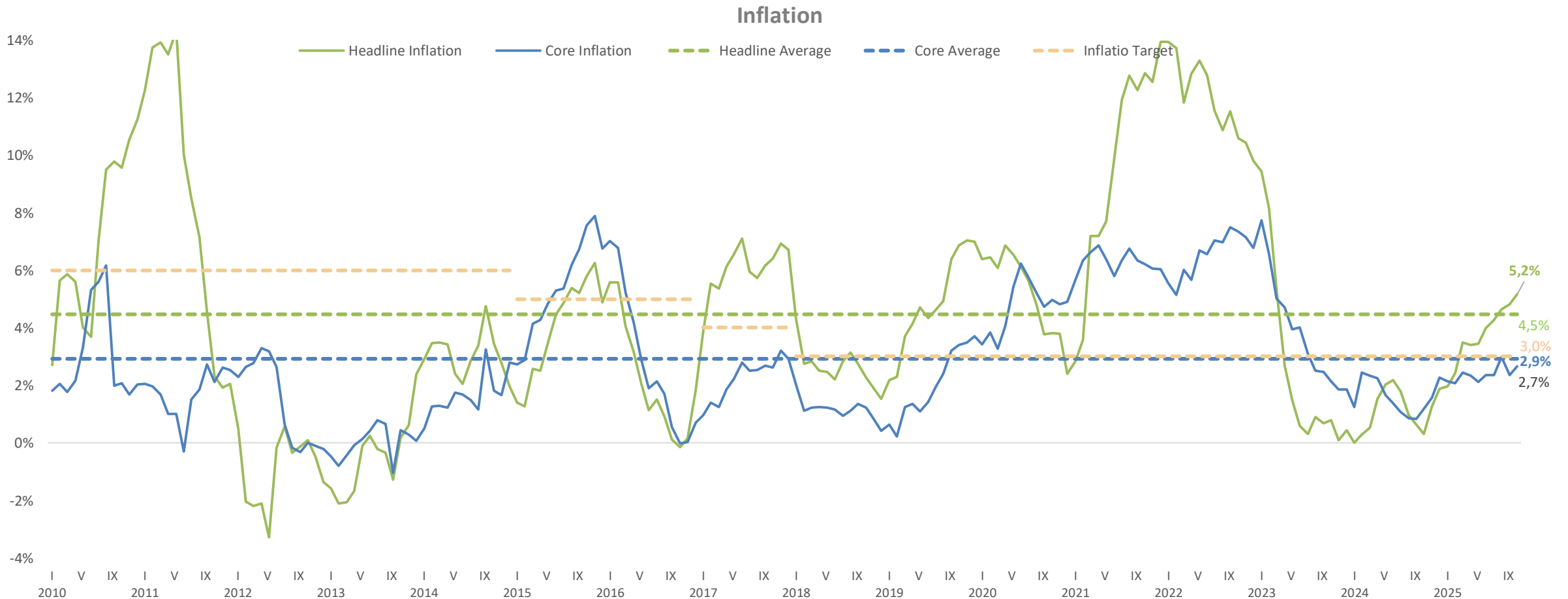
Source: GeoStat

Core Inflation



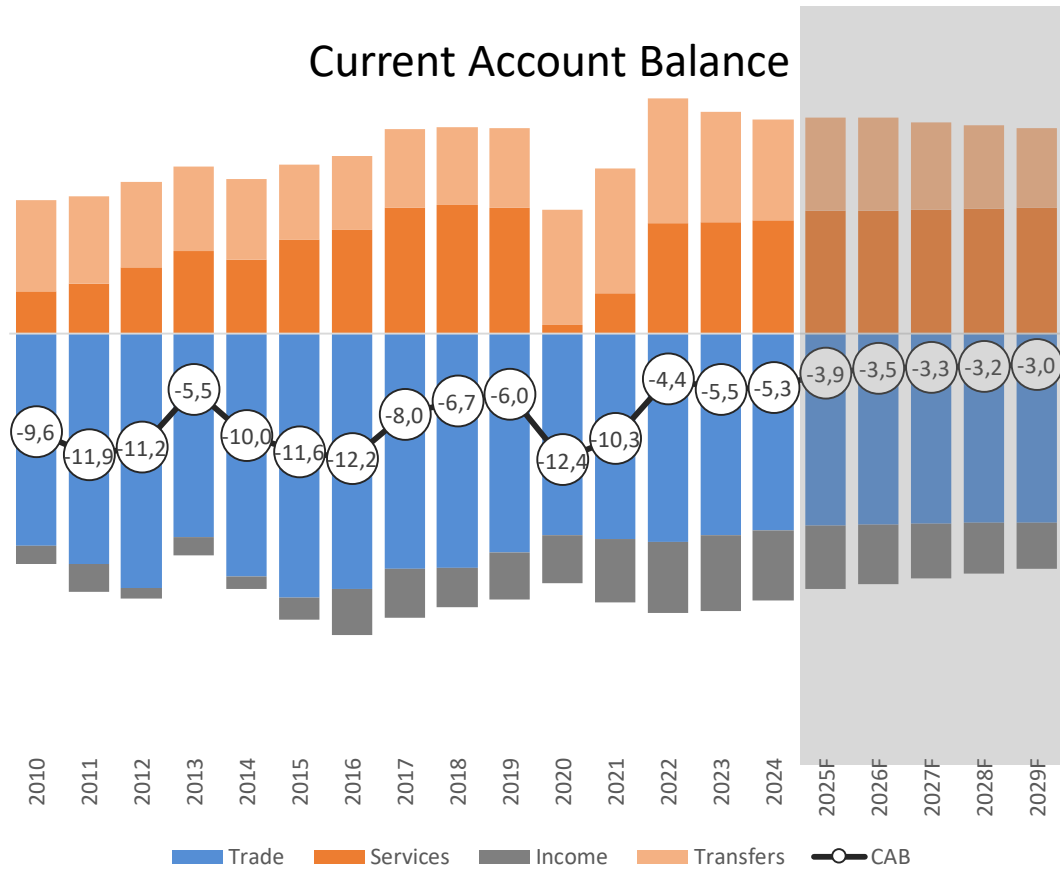
Source: GeoStat, MOF estimations

Headline and Core Inflation in 2010-2025

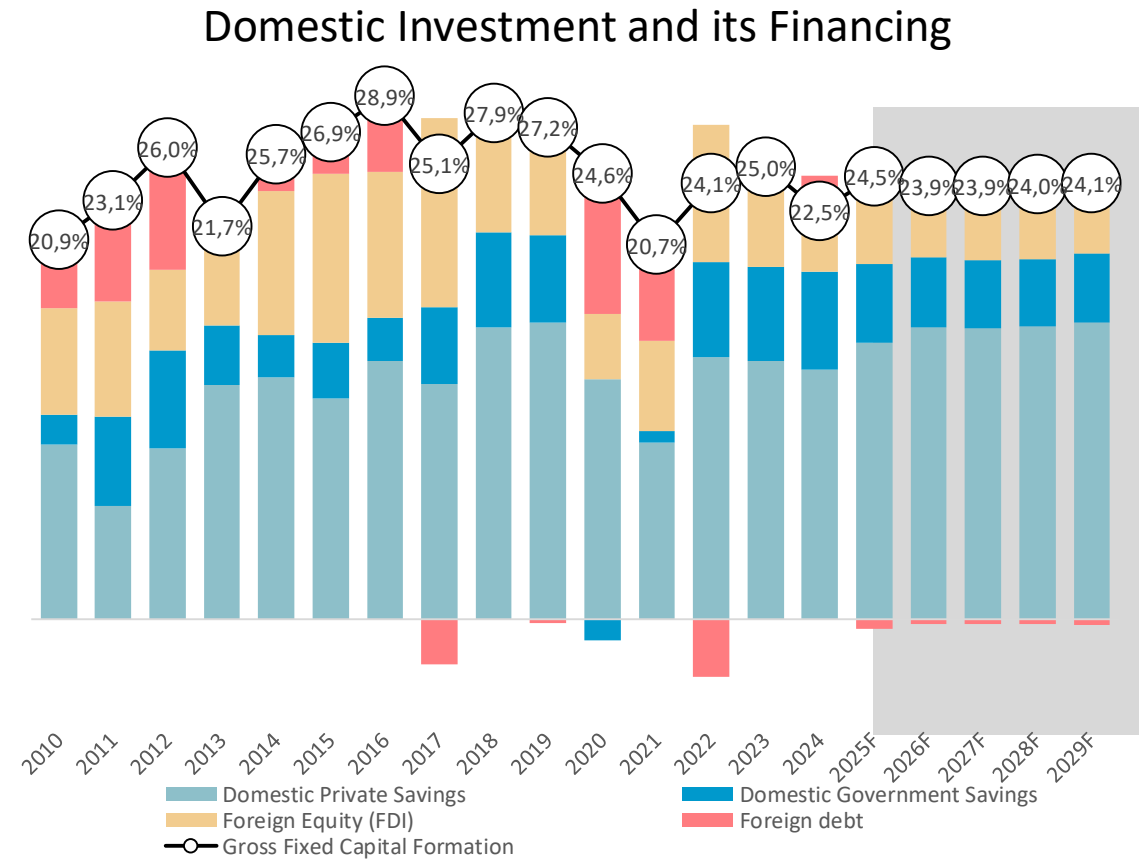


Source: GeoStat

Low Current Account Deficit – Savings Recovering



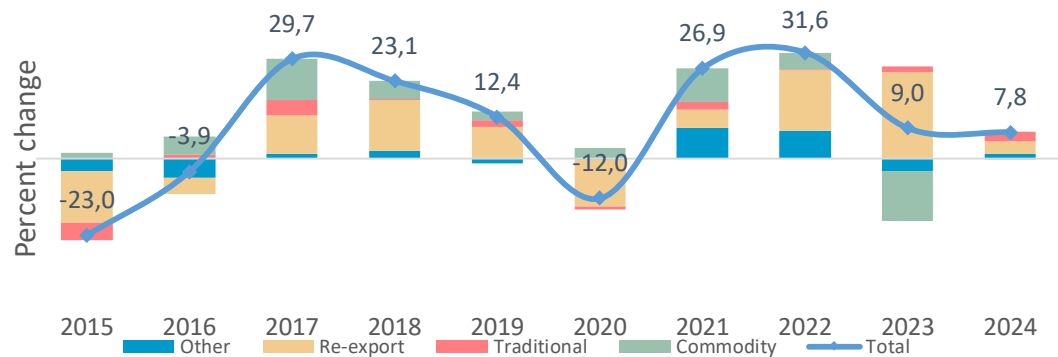
Source: NBG, GeoStat



Source: NBG, GeoStat

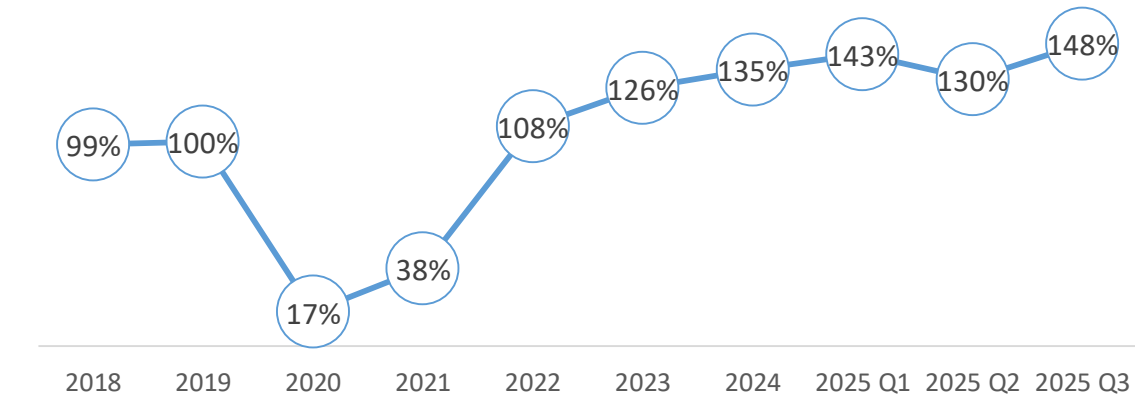
Robust Growth of External Sector, Diversified Tourism

Export Growth Decomposition



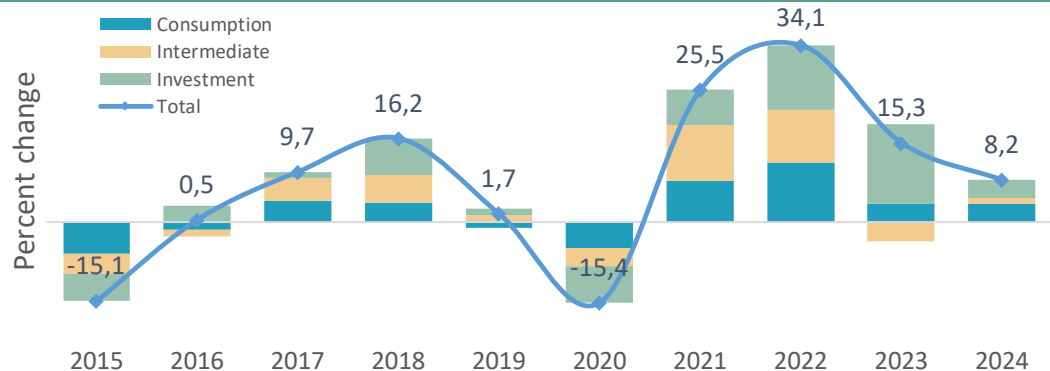
Source: GeoStat

Recovery of Tourism Revenues (2019=100)



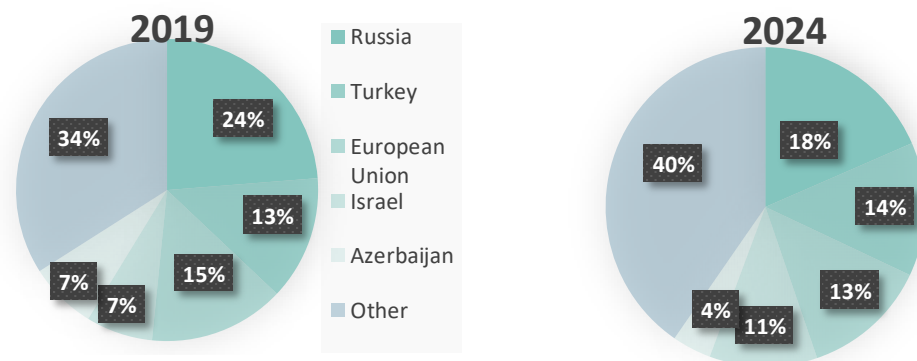
Source: NBG

Import Growth Decomposition



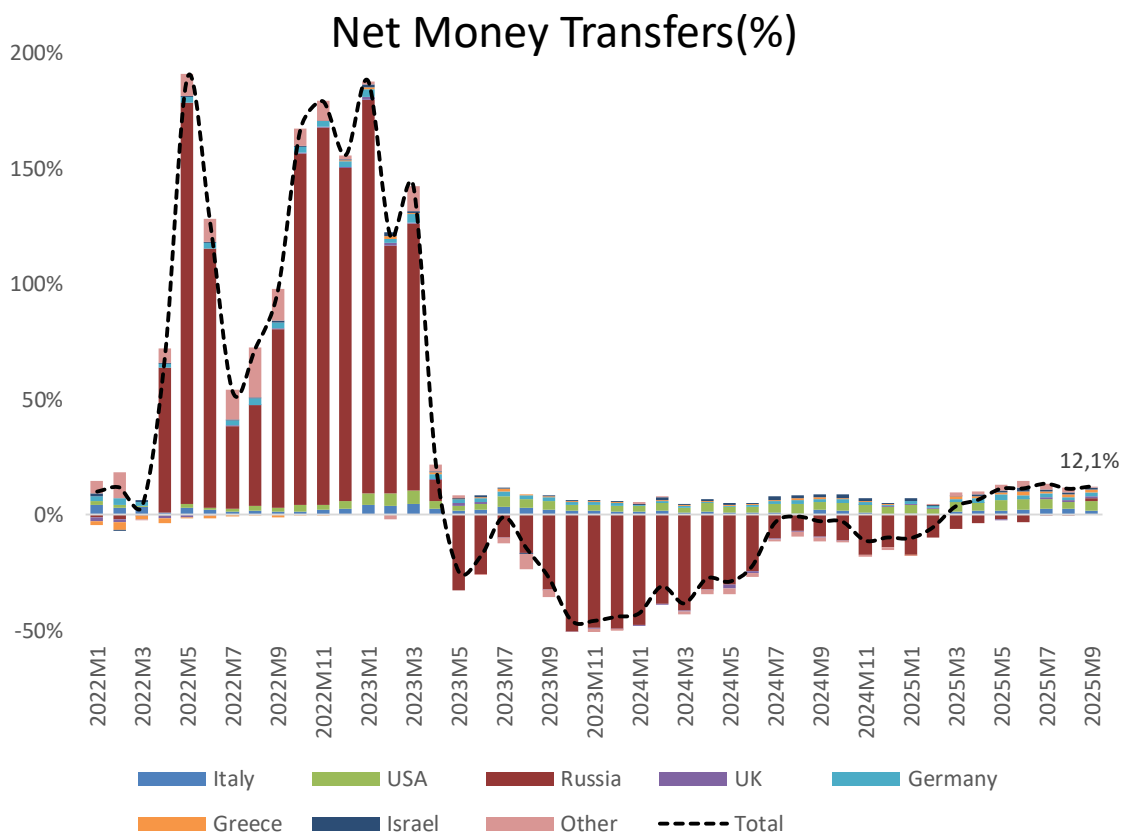
Source: GeoStat

Diversified Tourism Sector (Revenues)

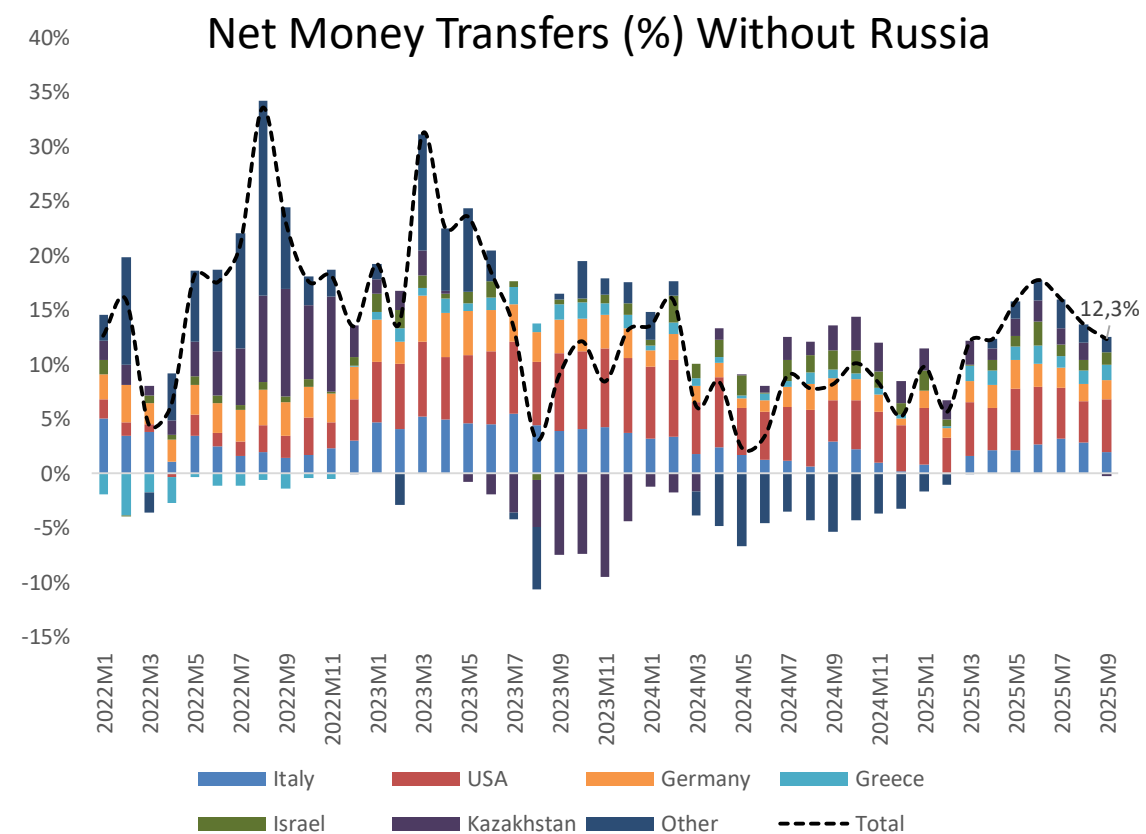


Source: NBG

Net Money Transfers Growth Decomposition by Countries



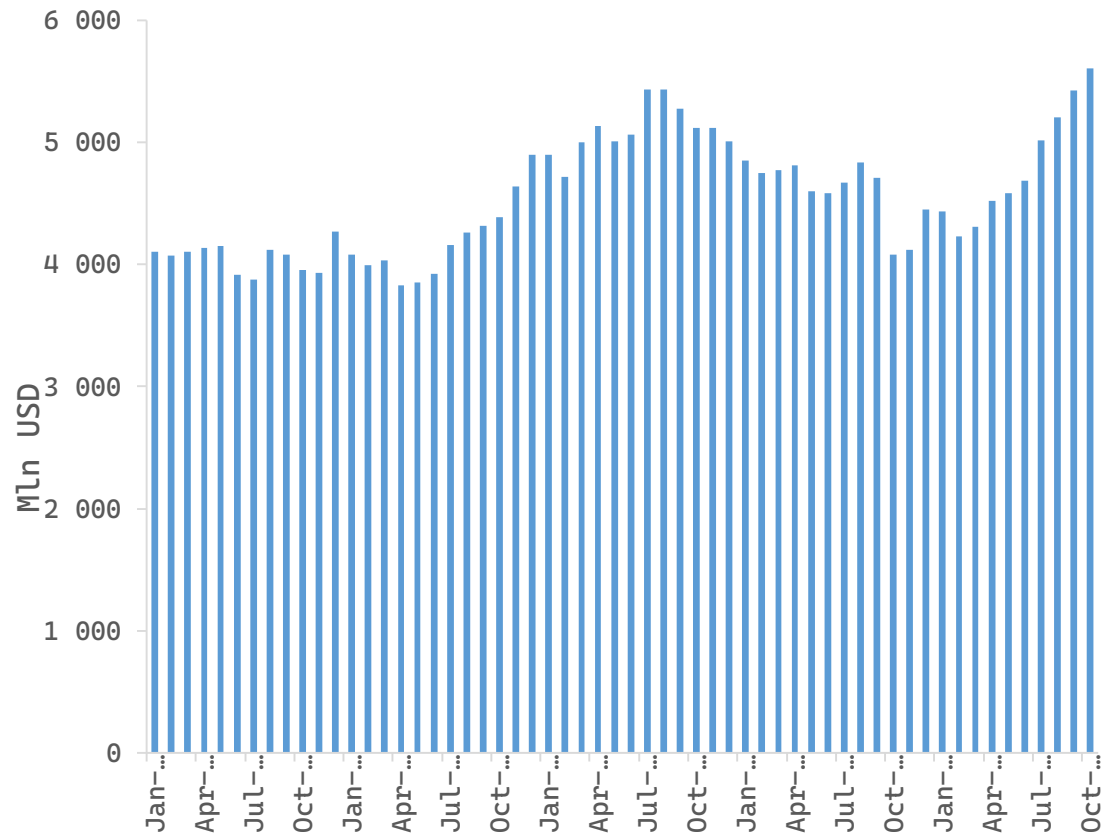
Source: NBG, MOF calculation



Source: NBG, MOF calculation

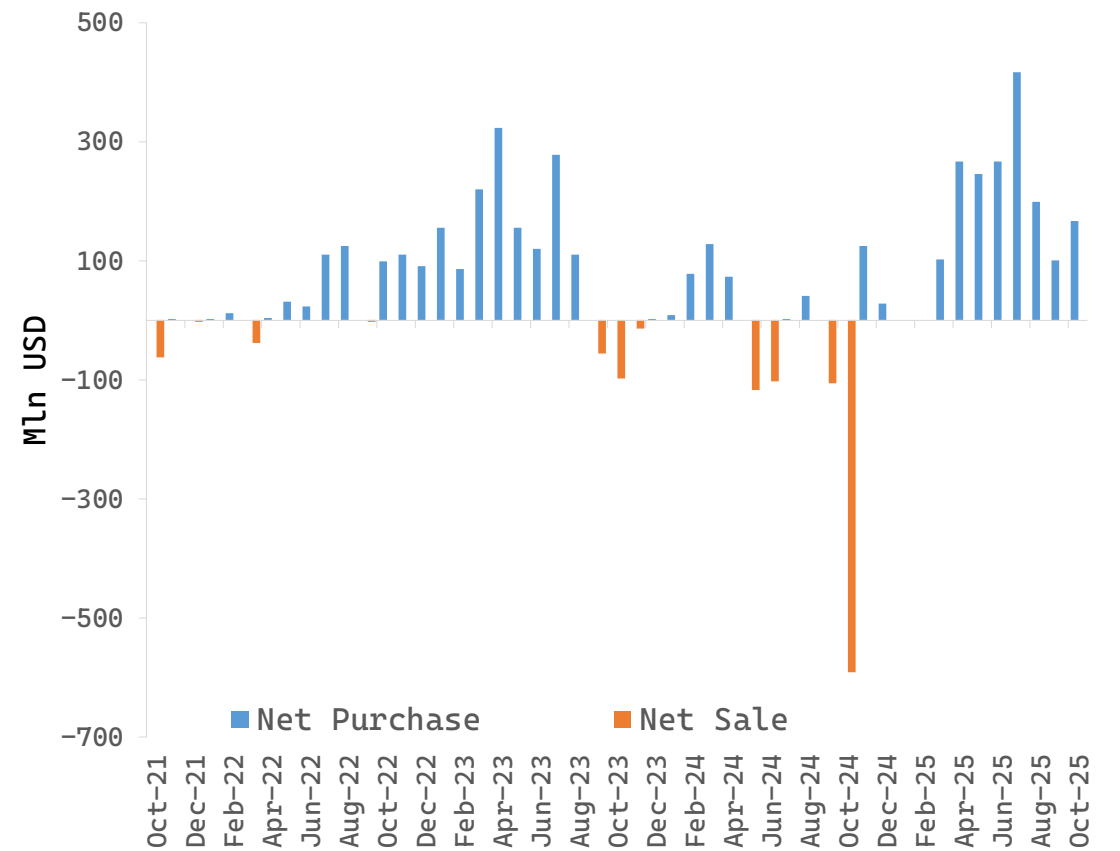
International Reserves

Non Performing Loans



Source: NBG

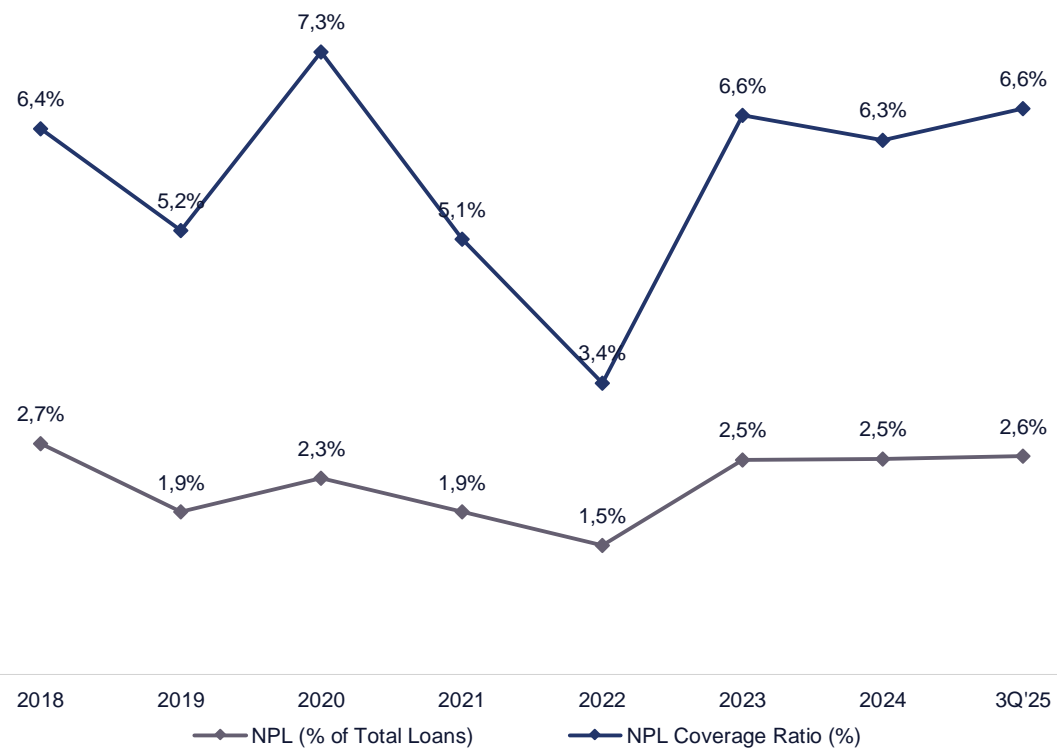
FX interventions



Source: NBG

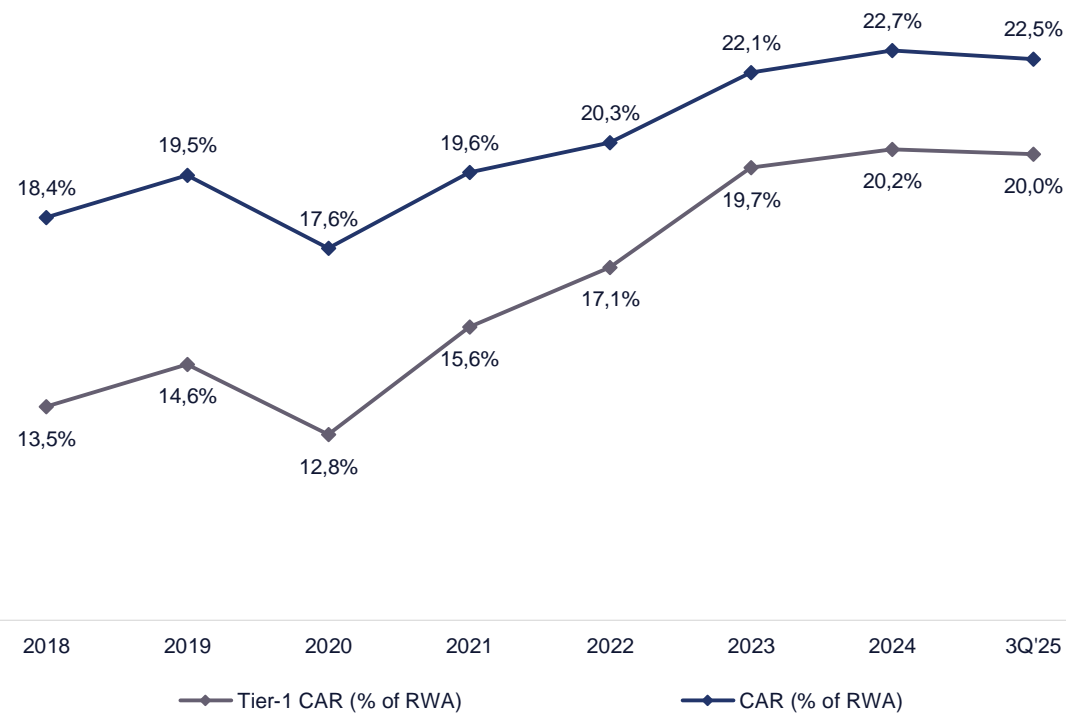
Banking Sector

Non Performing Loans



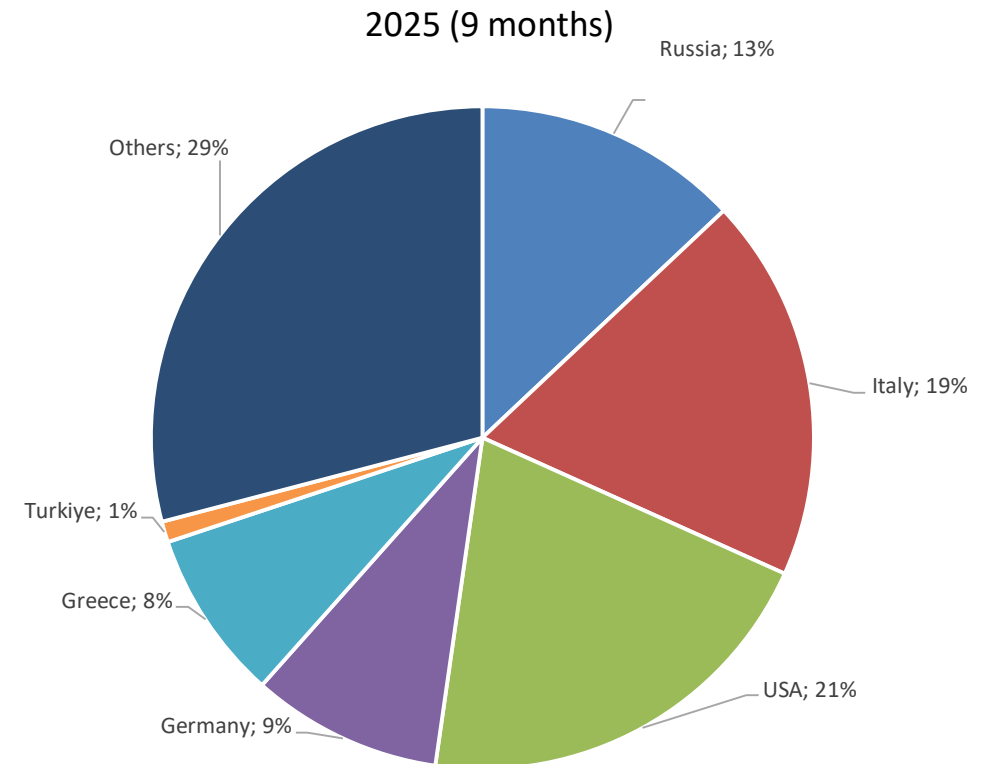
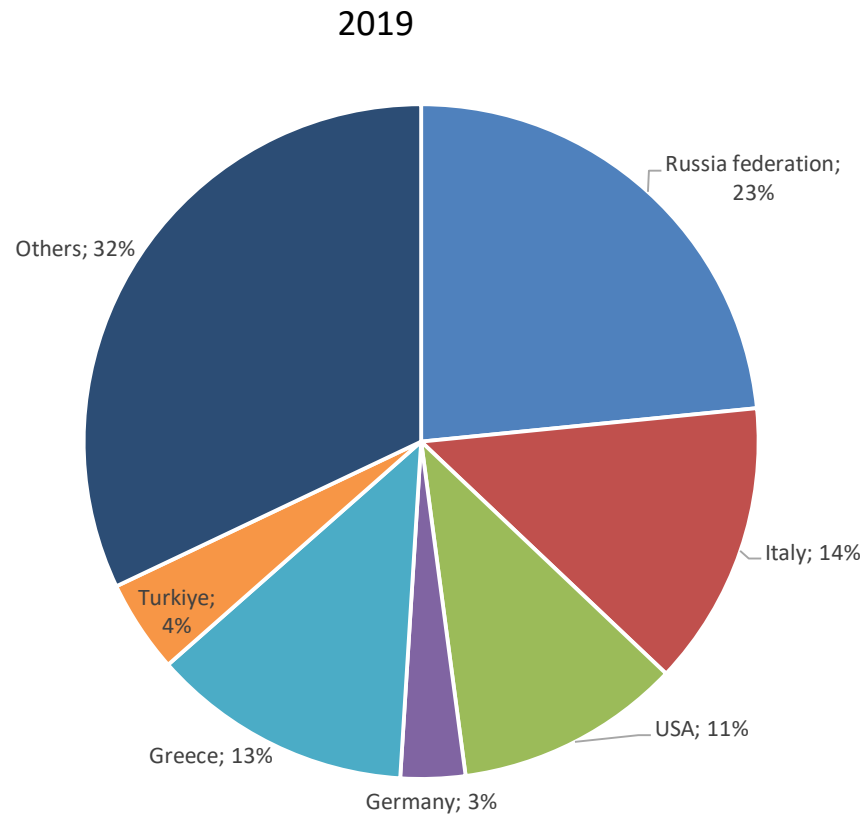
Source: NBG

Capital Adequacy



Source: NBG

Net Remittances Decomposition by Countries

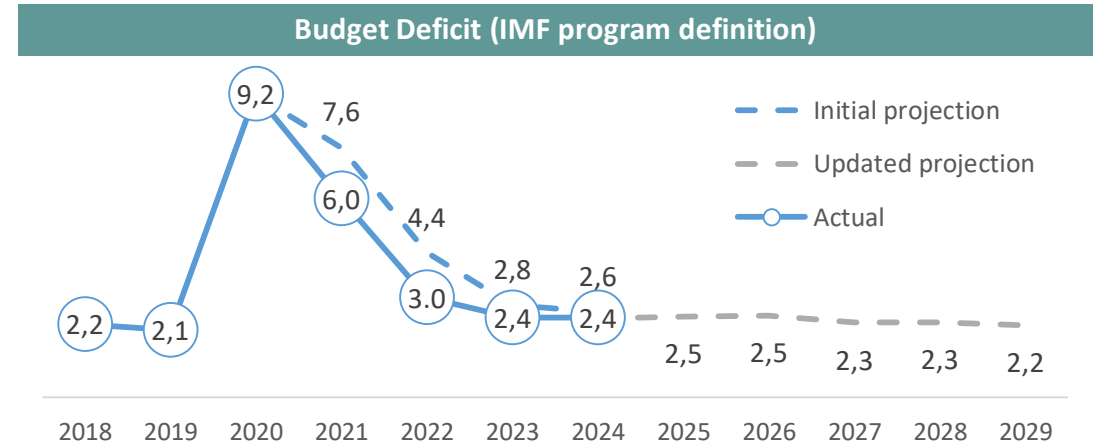


Source: NBG, MOF calculation

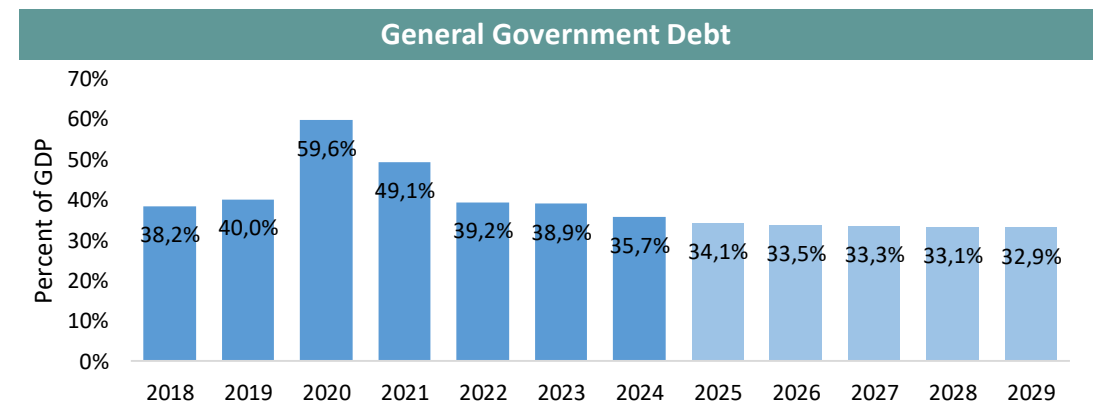
Resilient Fiscal Sector – Robust Debt Management Strategy

Debt Management Strategy

- Going back to the pre-pandemic level of GG debt- **Achieved**
- Reduce dollarization to 65 percent- **On track**
- Strong PIM filter for investment projects and FX financing for only economically efficient projects – **On Track**
- Reform-oriented program loans – **On Track**
- Development of domestic security market – **On Track**
 - Increasing liquidity
 - Index Inclusion

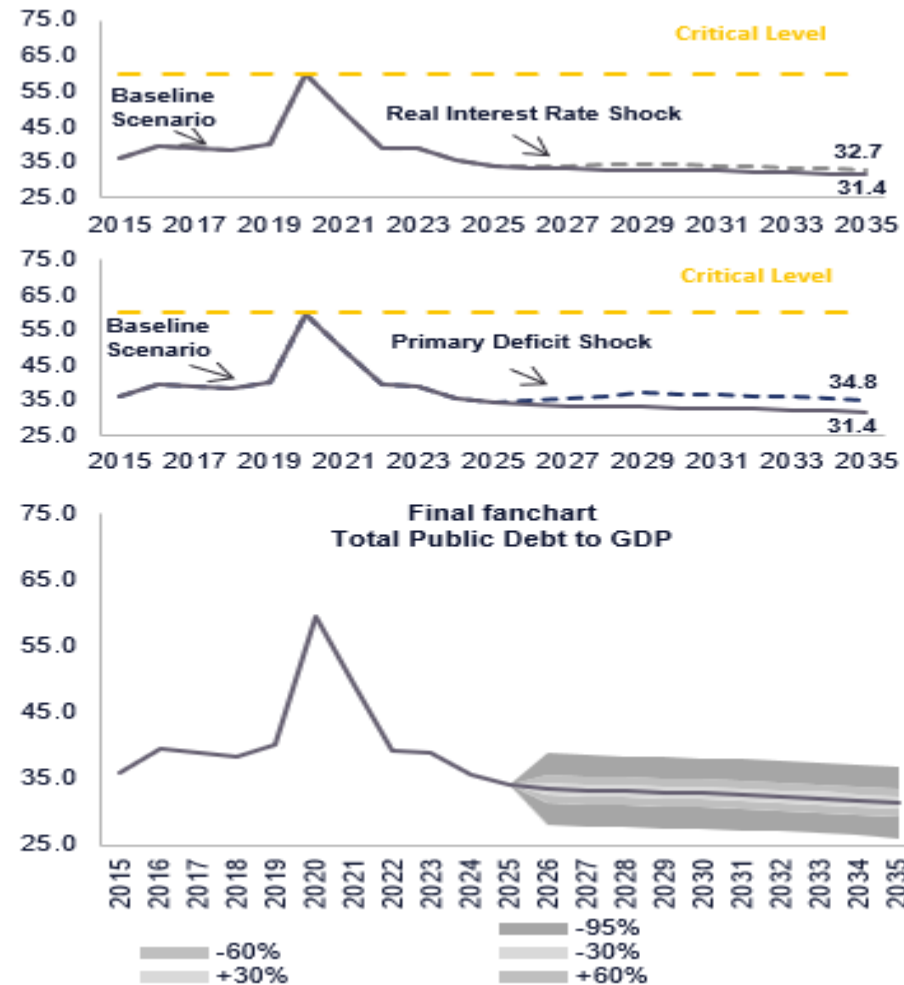
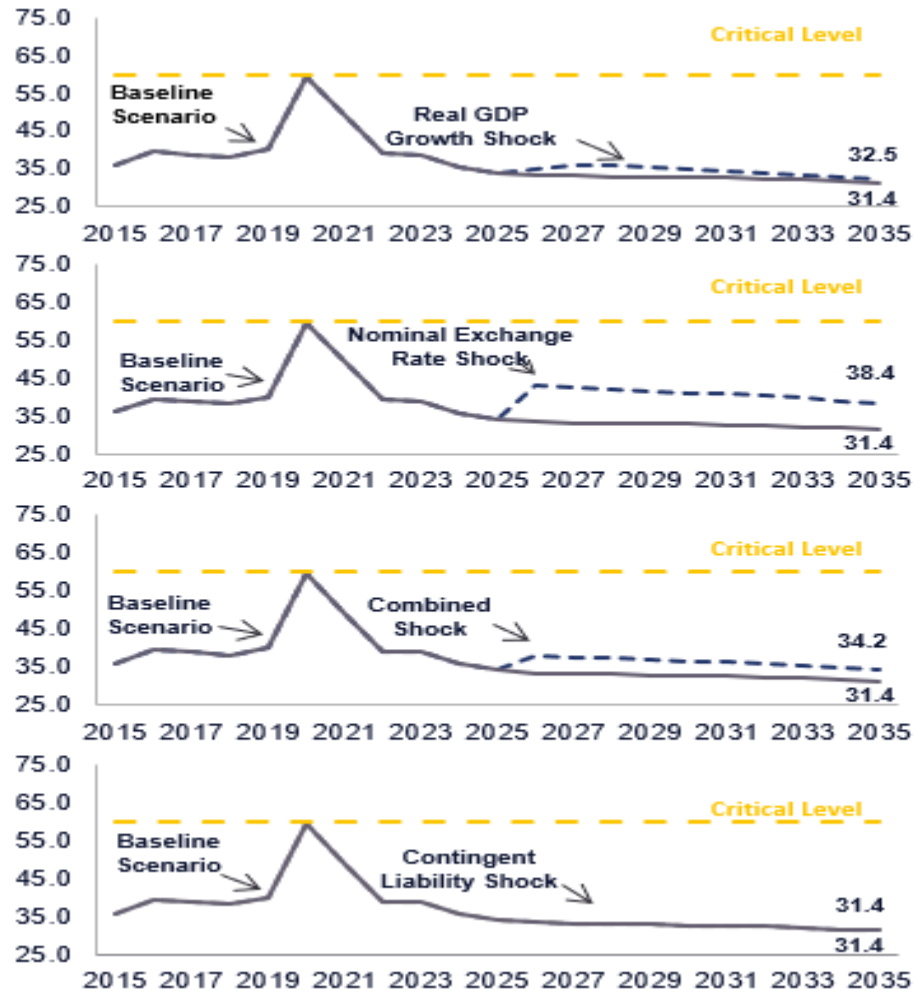


Source: MOF, GeoStat

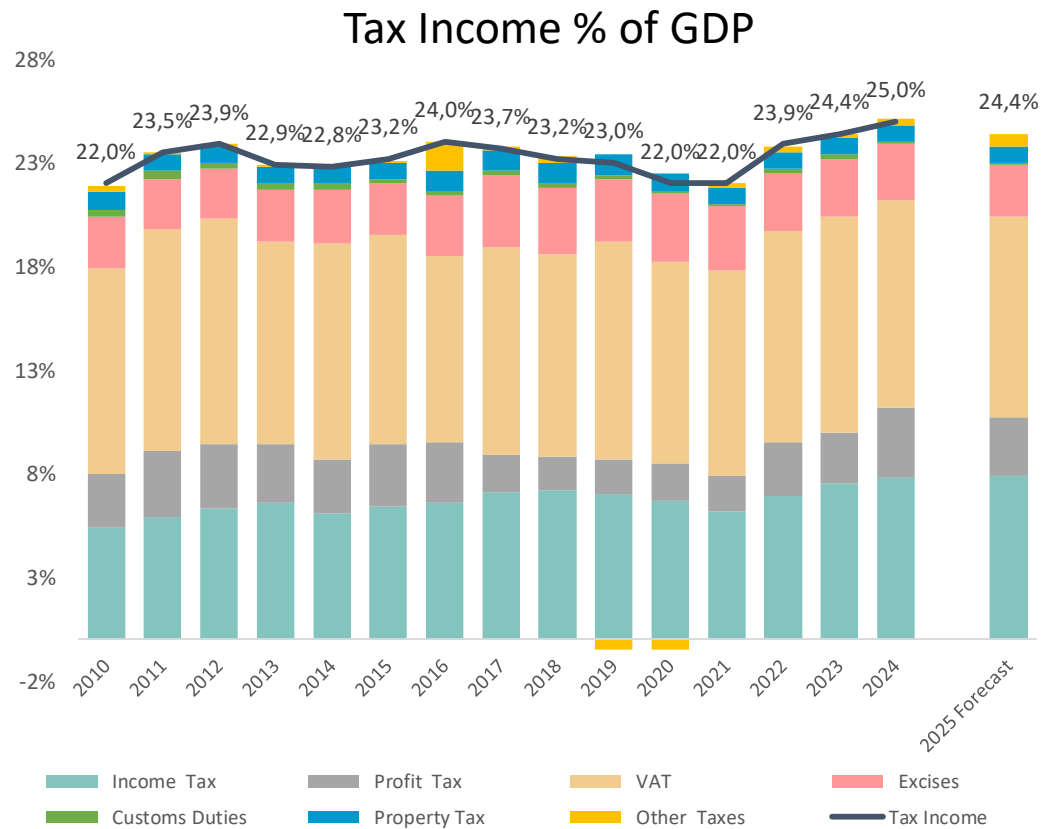


Source: MOF, GeoStat

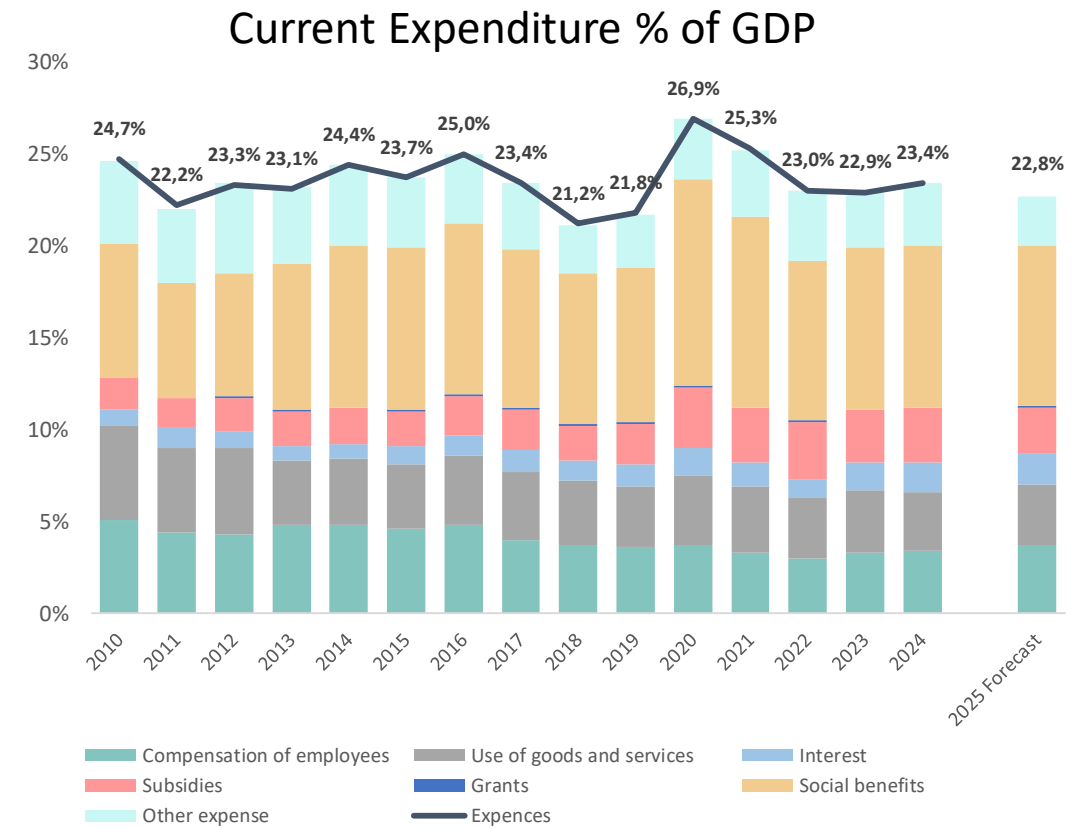
Debt Sustainability Analysis (DSA)



Main Budget Indicators



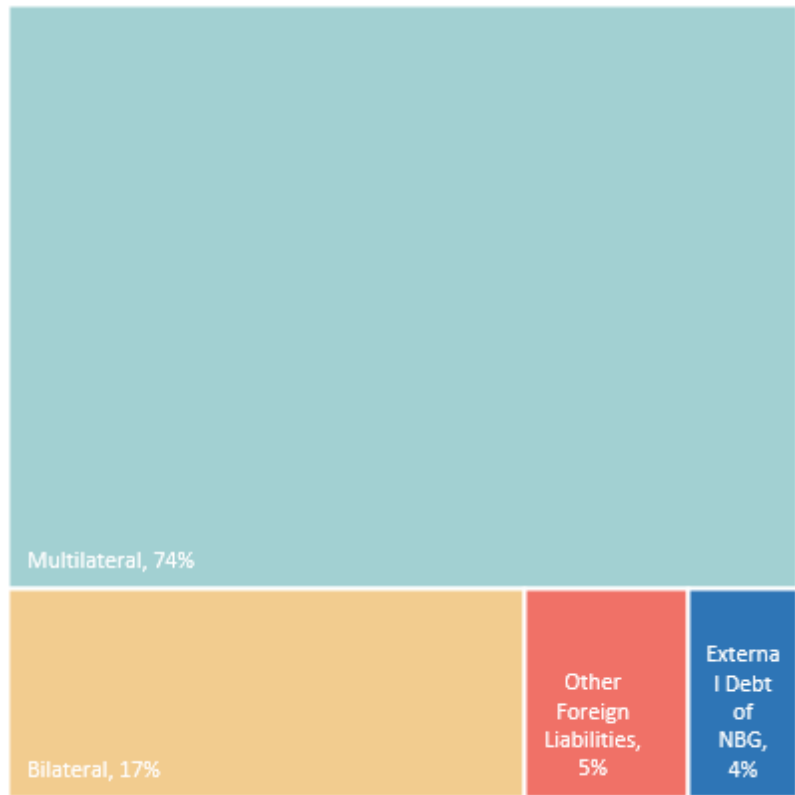
Source: GeoStat



Source: GeoStat, MOF estimations

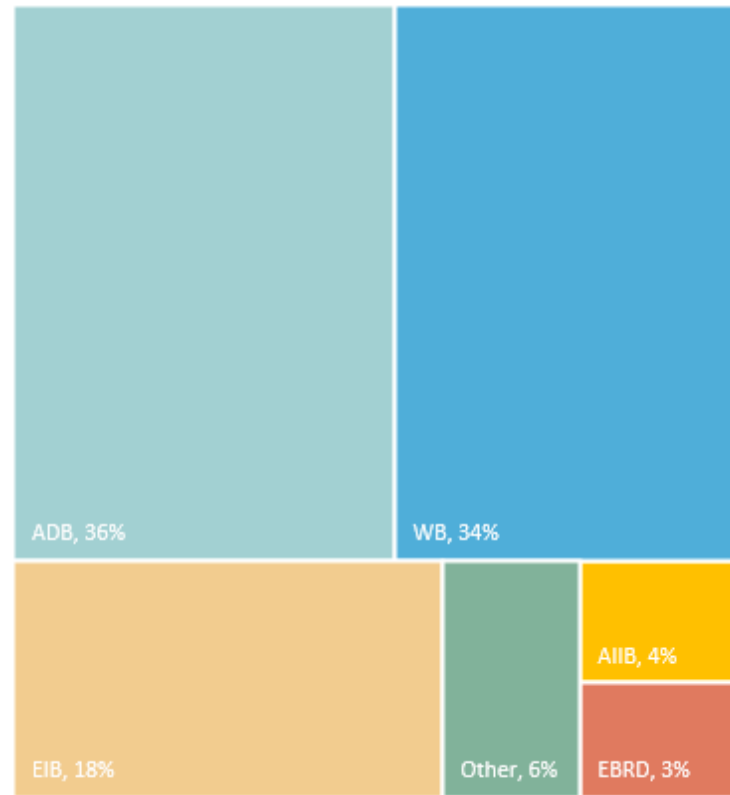
External Debt Composition

Public External Debt



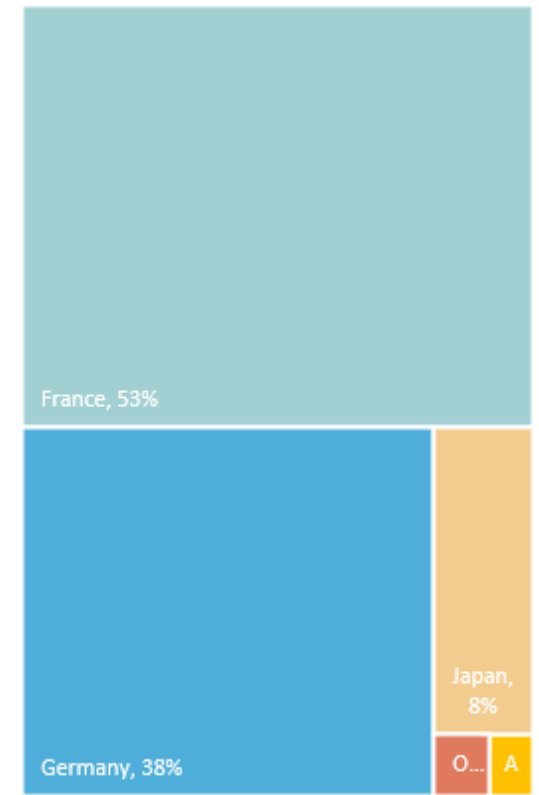
Source: MOF

Multilateral



Source: MOF

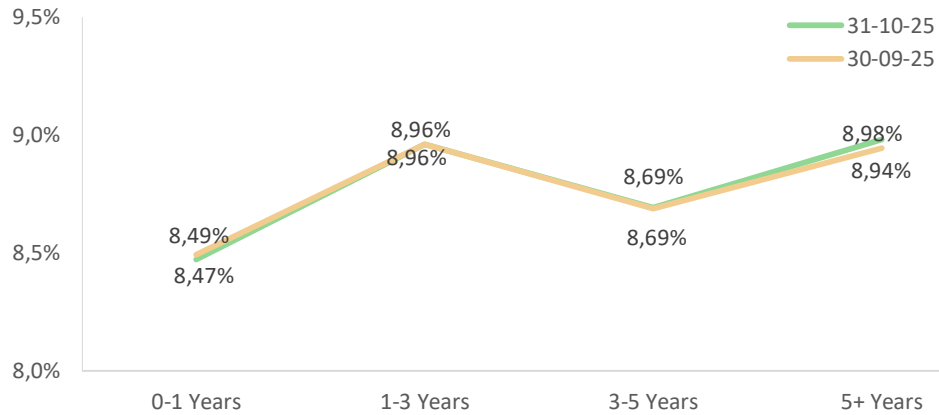
Bilateral



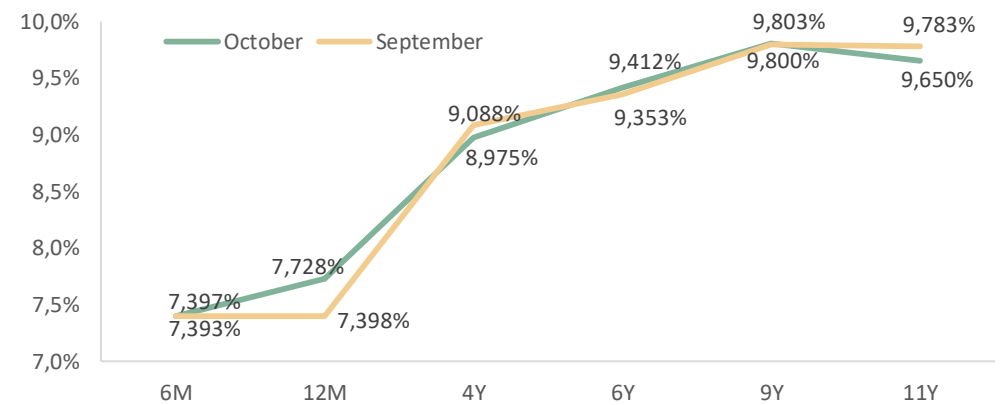
Source: MOF

Structure of the Treasury Securities Portfolio

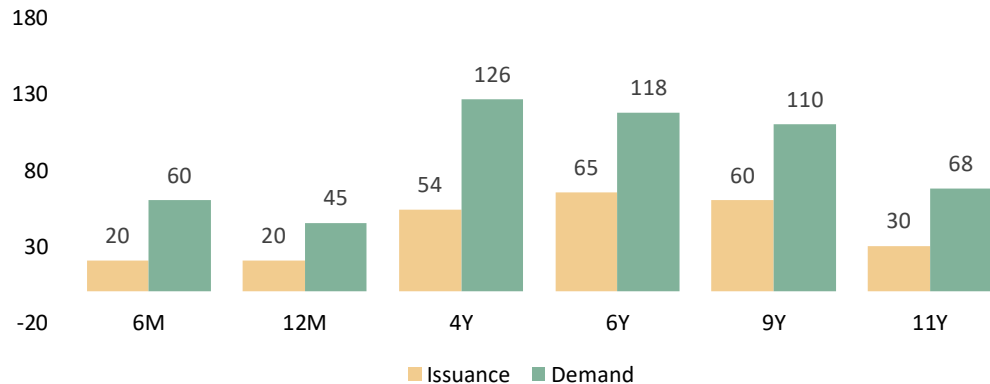
Portfolio Yield Curve



Weighted Average Interest Rates

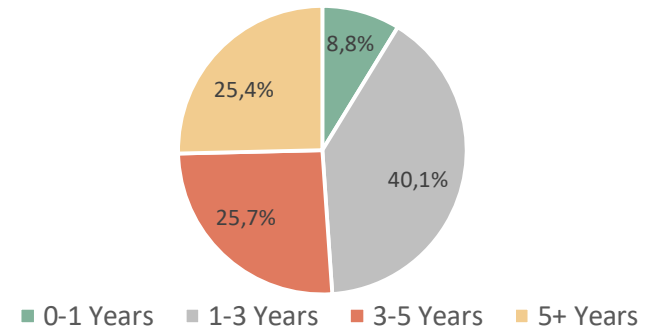


Issuance and Demand of Treasury Securities



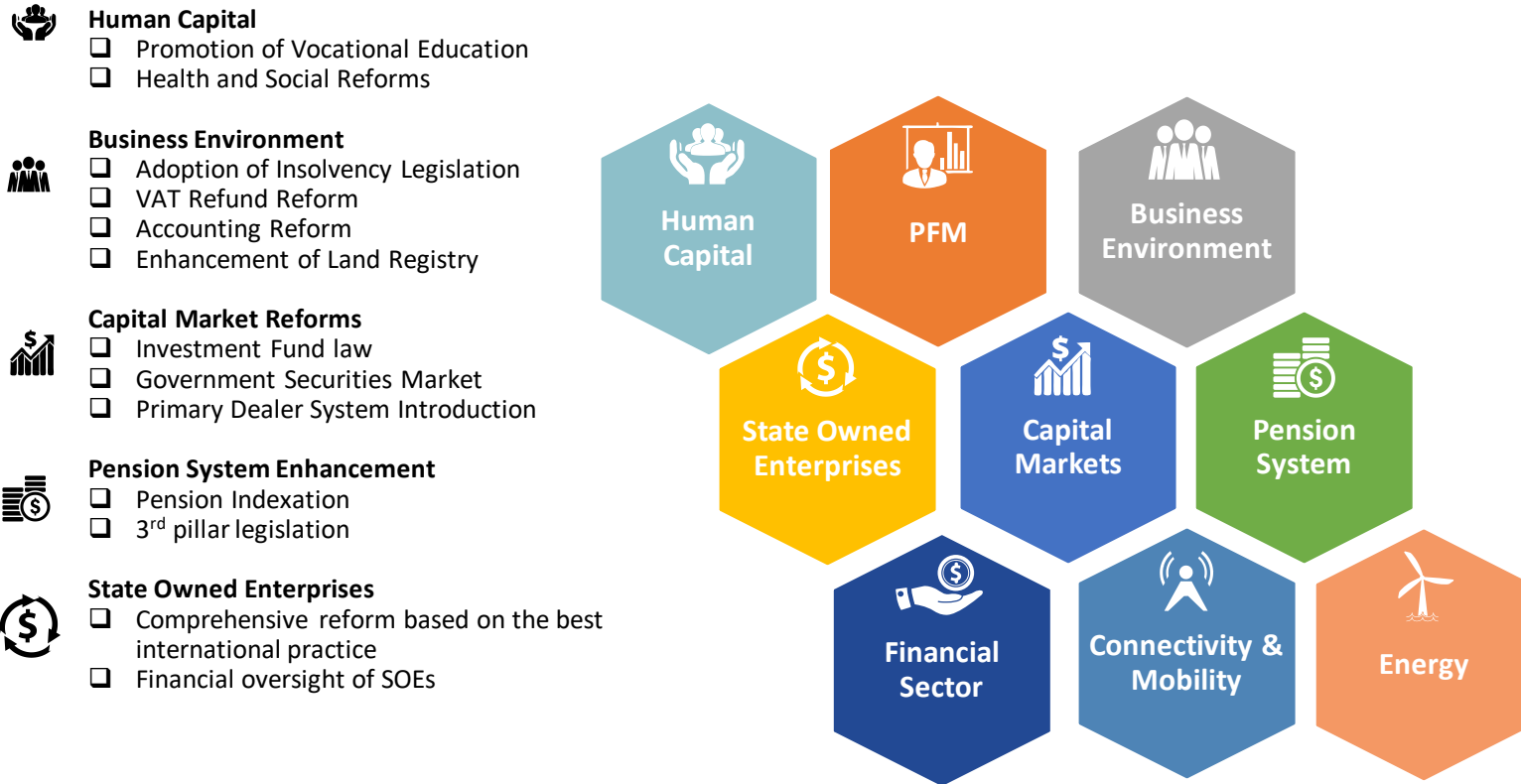
Source: MOF

Portfolio by Residual Maturity, October 31, 2025



Source: MOF

Robust Reform Agenda



- Human Capital**
- Promotion of Vocational Education
 - 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
 - 3rd pillar legislation

- State Owned Enterprises**
- Comprehensive reform based on the best international practice
 - Financial oversight of SOEs

- 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
 - Broadband Development 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

Source: MOF