



International Rankings of Georgia



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Ministry of Finance of Georgia

2017



Content

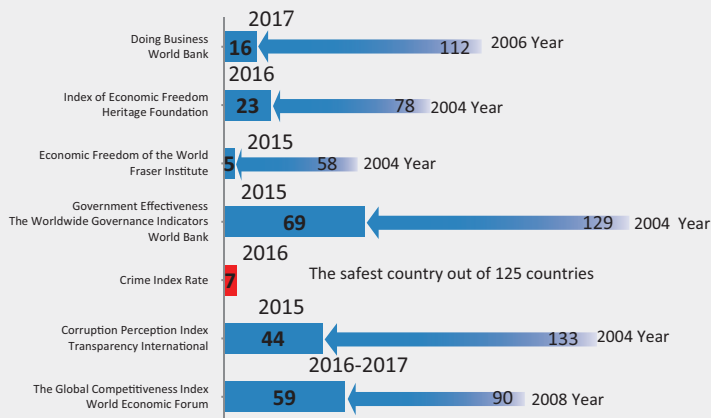
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Georgia in International Ratings

Georgia is one of the reformer countries and Georgian progress is a success story. It can be noted that it is the case how reforms and correct steps can bring a country towards the success. Reforms in Georgia that was ongoing found its reflection in the ratings.

Georgia implemented numerous systemic reforms even in the last years and has achieved significant improvements in areas such as human rights, transparency, absence of corruption, effective governance, and macro-economic stability. Important measures were implemented in order to ensure independence of the judiciary.

The successful and efficient implementation of systemic reforms has led Georgia to take significantly improved positions in the international ratings, especially in such important ratings as are Doing Business, Economic Freedom, Government Effectiveness, Global Competitiveness and Corruption Perception. From the chart below it is clear how the country has improved and become one of the competitive countries worldwide in last 10-15 years.

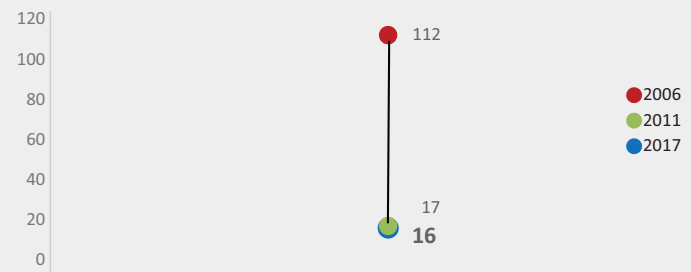


Ease of Doing Business

Georgia has achieved significant success in the world in terms of the Ease of Doing Business, which is positively reflected in different ratings. This is an additional evidence that there is the lack of bureaucratic pressure together with the business-friendly environment in the country.

Georgia's ranking in 2017: 16th place among 190 countries. Overall distance to frontier (DTF) – 80.20 score (improvement by 2.48 points).

Easy of Doing Business (ranking)



The Cycle of Reforms for Georgia:

The Top Improver since 2006 in EE&CA and globally -with 44 institutional and regulatory reforms. In 2017 Georgia is listed among regional leaders on the total count of reforms.

Important Reforms:

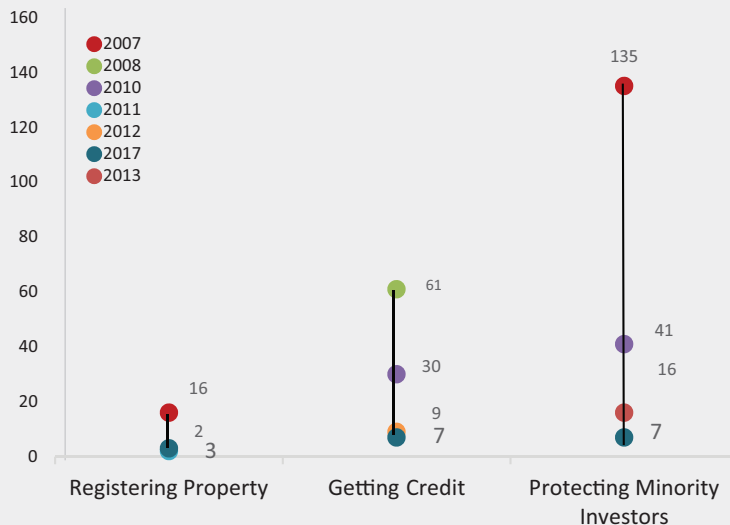
- Significant decrease in number of licenses & permits
- “One-Stop-Shop” & “Silence is Consent” principles
- Simplified tax code reduced number of taxes to 6 down from 21

- The time and cost needed to register property fell

According to the Doing Business report of 2017, Georgia is among the world's top ten countries in the following components:

- Registering Property – 3rd position
- Getting Credit – 7th position
- Protecting Minority Investors – 7th position
- Starting a Business – 8th position
- Dealing with Construction Permits – 8th position

Doing Business - Components (Georgia's ranking)

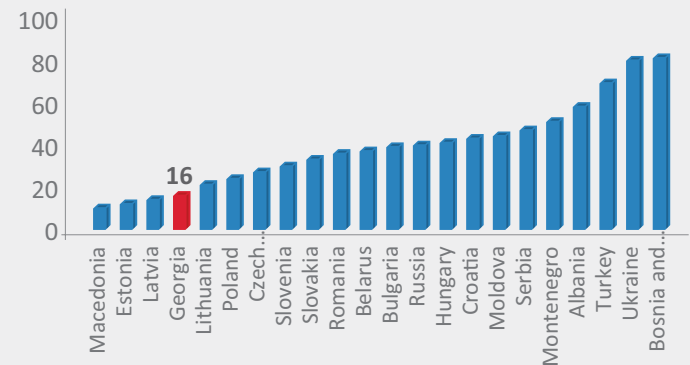


In 2017, Georgia is listed among regional leaders on the total count of reforms and takes 3rd position in region - Europe & Central Asia (among 25 countries). Overall, important success and international acknowledgment of

Georgia is the result of reforms implemented by Georgian government in 2015-2016.

In the overall ranking in Ease of Doing Business, Georgia took 16th place and is one of the leaders in the region.

Ease of Doing Business 2017

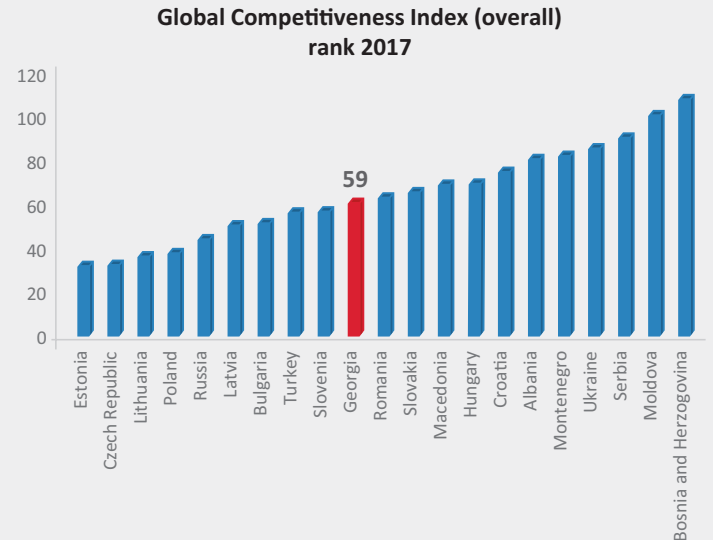
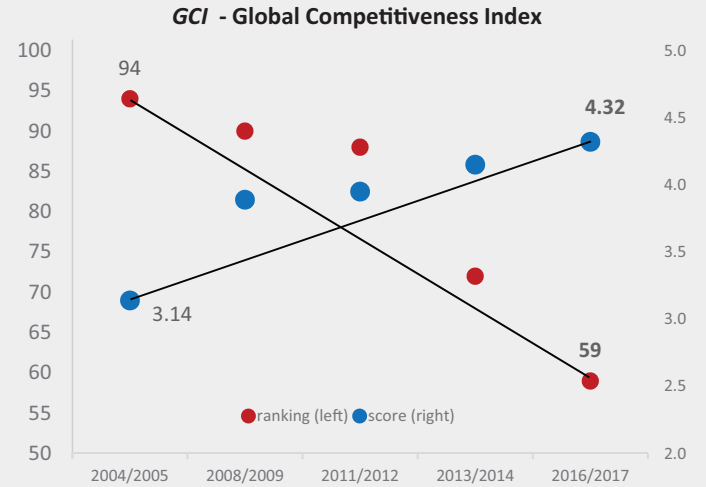


Global Competitiveness Index

According to the Global Competitiveness index 2015-2016 of the World Economic Forum, Georgia has improved its positions compared to 2012 in such components as Number of Procedures to Start a Business and Number of Days to Start a Business and took 3rd and 2nd places respectively among 148 countries worldwide.



In 2017, Georgia significantly improved its rank in competitiveness compared to 2012 and took 59th place (88th place in 2011-2012).



Three main stages of country development contain 3 sub-indexes that are grouped into 12 pillars of competitiveness (pillars are measured by the score from 1 to 7). It should be mentioned that Georgia has

improved its positions in all three aspects of GCI: Basic Requirements, Efficiency Enhancers; Innovation and Sophistication Factors. Georgia’s position in 2016-2017 compared to 2015-2016:

- Basic requirements – 46th position (improved by 4 steps)
- Efficiency enhancers – 69th position (improved by 8 steps)
- Innovation and sophistication factors – 113rd position (improved by 5 steps)

One of the best improvement that Georgia had in the GCI was Macroeconomic Environment in Basic Requirements. In 2017 Georgia took 40th position.



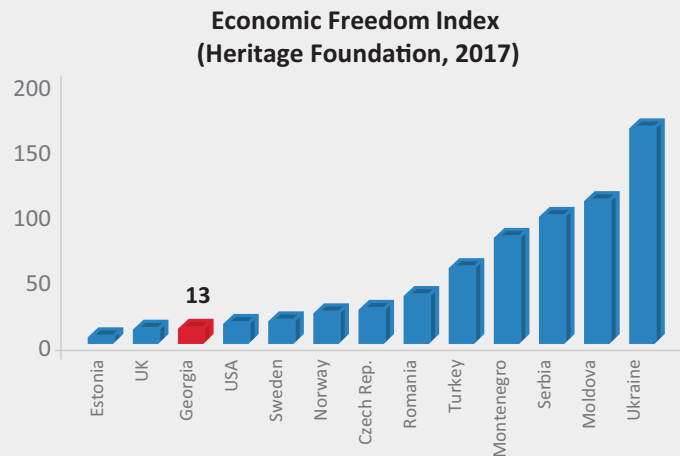
Economic Freedom Index

Heritage Foundation

Index of Economic Freedom by the Heritage Foundation ranked Georgia in 2016 with 23rd position in the world and in 2017 - with 13th. In 2017 Georgia is on 13th position and this Economic Freedom Index covered 180 countries. Rating score of Georgia was 76 (improved by 3.4 point) in 2017 compared to last year.

Heritage Foundation evaluates economic freedom for country in 4 main components: Rule of Law, Limited Government, Regulatory Efficiency and Open Market. These components are divided into 12 sub-components.

According to the Index of Economic Freedom of Heritage Foundation, Georgia improved its score in: Property Rights, Government Integrity, Business Freedom, Labor Freedom.



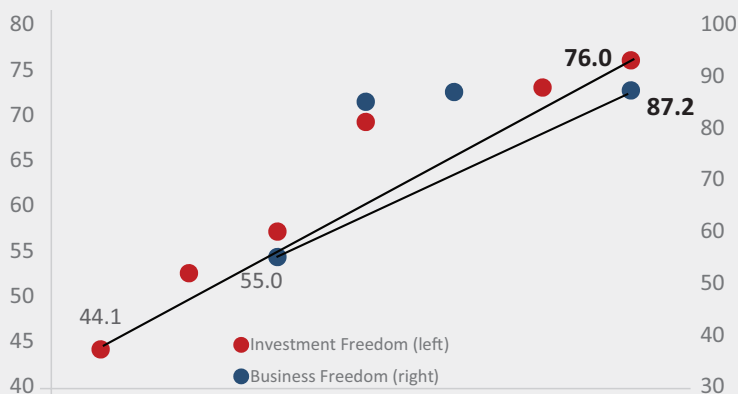
“Economic Freedom Index” identifies the main success of Georgia in the following fields: fiscal policy, effective regulations and open market. Positive evaluation is in the monetary stability and fiscal soundness as well as macroeconomic sustainability.

Georgia has improvement in region and took 5th position among 44 countries of European Region in 2017 compared to 2016 when the country was on 12th position. The average score of Georgia is 76 higher with 8 points than average score of European Region. Georgian is classified as mostly free country (score between 70.0-79.9).

Georgia’s components of freedom index are much higher than world’s average. This leading position is achieved mostly for the ease of doing business:

- Business freedom – 16th position
- Investment Freedom – 21rd position

Investment and Business Freedom (score 1995-2017)



Investment Freedom is the part of Open Market and Business Freedom is the part of Regulatory Efficiency. Georgia also has high scores in Fiscal Health (93.5 score in 2017), Trade Freedom (88.6 score and on 9th position in the world in 2017) and Tax Burden (87.3 score).

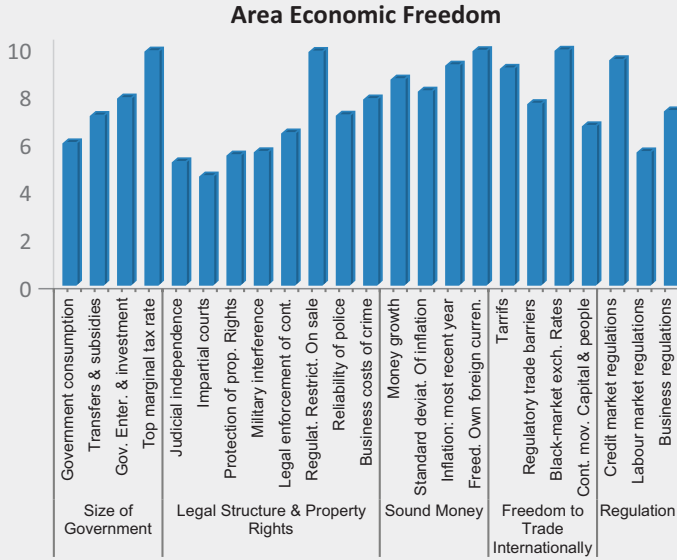
Following to the assessment of Heritage Foundation “Economic Freedom Index” 2017 Georgian government is continuing economic liberalization policy. It has maintained control over the public debt and budget deficit, while low tax regime and effective regulations has caused investment inflow and trade promotion.

Fraser Institute – Economic Freedom of the World

Fraser Institute is evaluating the Area of Economic Freedom by several components. The main 5 components are as follows:

- Size of Government
- Legal System & Property Rights
- Sound Money
- Freedom to Trade Internationally
- Regulation

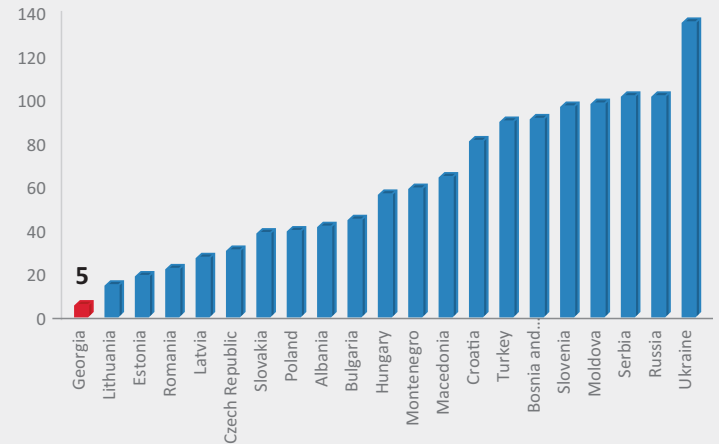
Fraser Institute considers several sub-components in order to assess overall economic condition in the country. Georgia has improved positions in 16 sub-components which caused country to be on the leading positions in overall rating. The scores of each sub-component is provided below in the chart.



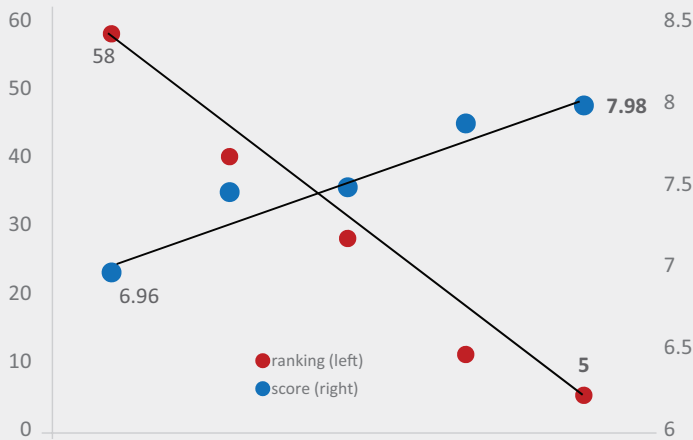
According to Fraser Institute in Economic Freedom Index, compared to other countries, currently Georgia is holding 5th position. Worst mentioning that compared to last year's 11th position, Georgia has important progress and is holding the leading positions. In comparison with 2012 report of Fraser Institute, Georgia was holding 21st position in Economic Freedom aspect. The main improvement was in the components of Legal System & Property Rights – up to 13 positions.

According to Fraser Institute report of 2016 Georgia has improved its ranking in economic freedom, from 2004 increased its score from 6.96 to 7.98, and improved ranking from 58th to 5th position, among 159 countries in the world.

Fraser - rank of Georgia and Other Countries



Fraser Institute (Georgia's ranking & score)

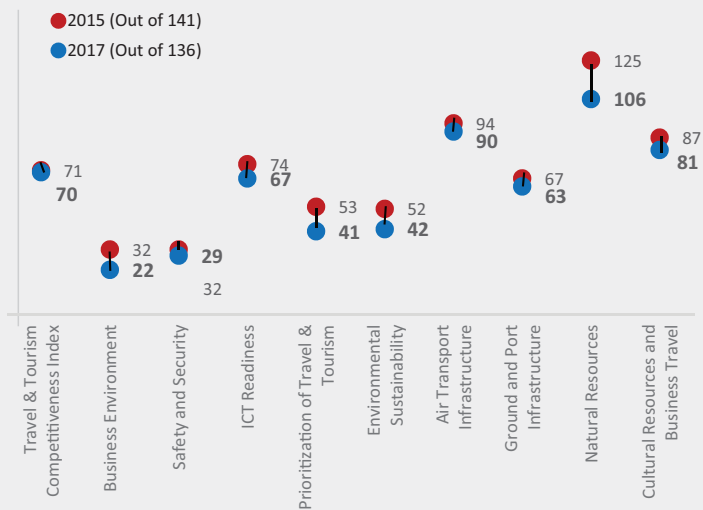


Travel and Tourism Competitiveness

The World Economic Forum has, for the past 11 years, engaged leaders in travel and tourism to carry out an in-depth analysis of the Travel and Tourism competitiveness of 136 economies across the world. The Travel and Tourism Competitiveness Index measures “the set of factors and policies that enable the sustainable development of the travel and tourism sector, which in turn, contributes to the development and competitiveness of a country”.

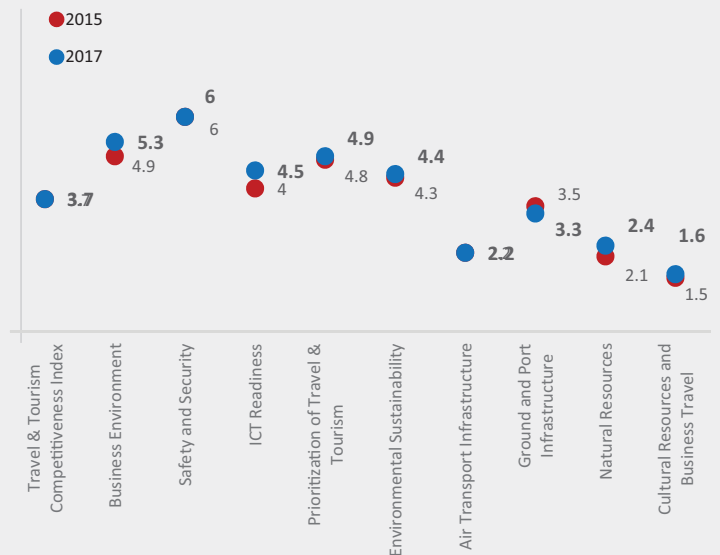
According to the Travel and Tourism Competitiveness report, Georgia has improved its ranking in 2017 compared to 2015 and took 70th position (3.70 score) among 136 countries. In the business environment Georgia moved from 32nd to 22nd position. Country also improved rank in Safety and Security component and took 29th place.

The Travel & Tourism Competitiveness (ranking)



Therewith, Georgia improved or remained on the same position in all components from 2015 to 2017 and has higher score in the Travel & Tourism Competitiveness. The score in Safety and Security is 6 for Georgia and in Business Environment component country has 5.3 points in 2017.

The Travel & Tourism Competitiveness (score)



Overall score of Georgia in Travel & Tourism Competitiveness Index is 3.7 in 2017. In general, scores of each components are defined from 1 to 7. To analyze these scores, Georgia has the best performance in the following components compared to other components: Health and Hygiene (36th position, 6.10 points), Safety and Security (Georgia in on the 29th position, 6.01 points), Business Environment (22nd position, 5.26 points), Prioritization of Travel & Tourism (41st position, 4.90 points), Price Competitiveness (66th position, 4.90 points).

Safety Index

Safety - the freedom from harm, injury or loss - is one of the most basic human needs. Unintentional injury, and the pain, disability and death that associated with it, is a global health issue, and it is estimated that more than 3.7 million people die each year from its effects.

Improving safety is a complex challenge, incorporating elements of science, behavior, culture, policy, and public health. The resources, policies and priorities for improving safety become more difficult to discern.

There are few factors to identify country as a safe country. These factors usually are Crime Rate, to what extent that place is prone to disasters and natural calamities, corruption, economy etc. In 2014-2015, Georgia was among the 10 safest countries. In 2017, country took 7th place with crime index 20.83 and safety index – 79.17 among 125 countries.



Crime index is an estimation of overall level of crime in a given country. Crime levels lower than 20 are considered as very

low, crime levels between 20 and 40 as being low, between 40 and 60 as being moderate and up to 60 is higher. Safety index is, on the other way, quite opposite of crime index and if the country has a high safety index, it is considered very safe.

According to this explanation and Georgia's safety and crime indexes (79.17 and 20.83 accordingly), Georgia represents one of the safe countries in the world in 2017.

There is another safety index - the UL Safety Index (index is a collaborative effort spearheaded by Underwriters Laboratories Inc.). The UL Safety Index is a data science initiative intended to increase the global awareness of health, security, sustainability and safety through information. Dialog and collaboration. The vision is to advance safe living and working environments for people everywhere by providing better data and metrics to guide decision making and investments.

The UL Safety Index is a data science initiative that seeks to address gaps in knowledge and information about health and safety by providing a country safety index for 187 nations. This Index can be used to support efforts by governments, safety professionals, policy makers, the private sector and non-governmental organizations to understand and prioritize actions to improve safety around the world.

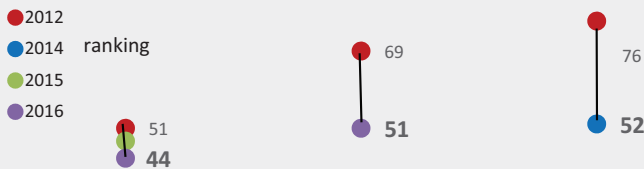
The main drivers of the UL Safety Index are: Institutions & Resources, Safety Frameworks and Safety Outcomes. Each of them has own indicators, for example, indicators of Institutions & Resources are wealth, education, government effectiveness and technology (overall 16 indicators of all three drivers).

The UL Safety index of Georgia is 54.70 in which Institutions & Resources has 57.36 points, Safety Frameworks has 35.02 and Safety Outcomes has 81.47.

Corruption Perception Index

In 2012-2015, actions of the government against corruption (including the new anti-corruption strategy document, effective implementation of international recommendations, significant success achieved within the frames of Open Government Partnership initiative, improved whistleblower protection standards, changes in public procurement and innovative approaches in delivering public services), including judicial reform, institutional reform of the prosecutor’s office, as well as openness and transparency of state institutions led to significant results in the achievement of an improved rating indices.

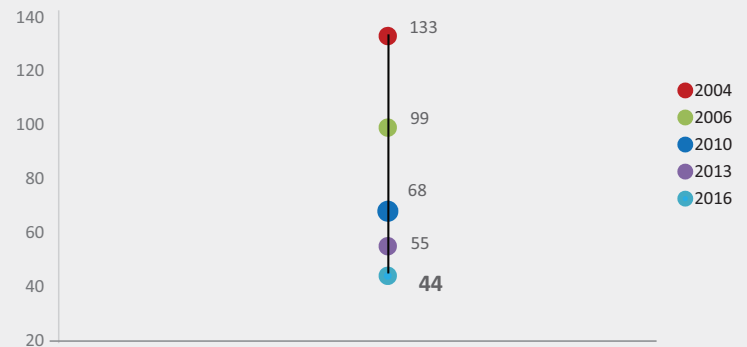
The Corruption Perception Index scores and ranks countries/territories based on how corrupt a country’s public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions. Composite index, a poll of polls, drawing on corruption-related data from expert and business surveys carried out by a variety of independent and reputable institutions. The Corruption Perception Index is based on 13 independent surveys.



Corruption Perception Index measures the overall extent of corruption in the public and political sectors and provides a ranking of countries that measure perceptions of corruption in at least a few different countries. The score indicates the perceived level of public sector corruption on a scale from 0 (highly corrupt) to 100 (very clean). The CPI shows how one country compares to others included in the index. The score indicates the perceived level of public-sector corruption on a country / territory.

According to the Corruption Perception Index of Transparency International, in 2015 Georgia’s position compared to the previous year, was improved by 2 positions. Georgia gained the best position ever and is on 44th place in the world in 2016 (the score was 57). “Corruption Perception Index” is evaluating Georgia from 2002.

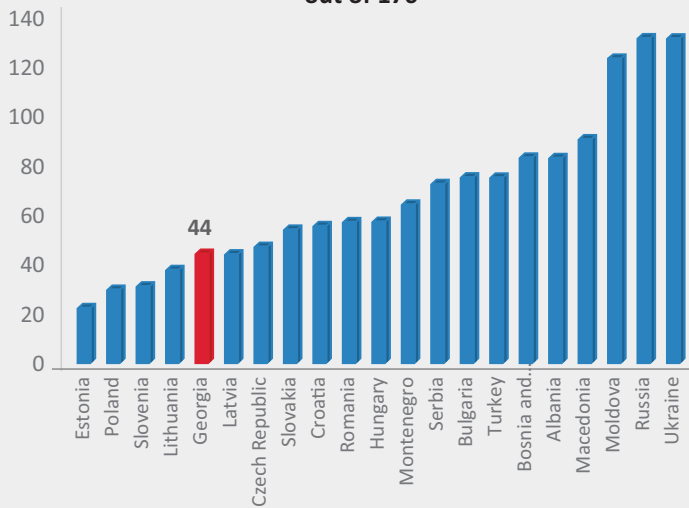
Corruption Perception Index (ranking)



Georgia is on the first position among the 19 countries of the Eastern Europe and Central Asia region (EECA) and is ahead of such countries as Montenegro, Macedonia, Turkey, Serbia, Bosnia-Herzegovina, Albania and others.

Corruption Perception Index Transparency International	Freedom fro Corruption Heritage Foundation	Control of Corruption Worldwide Governance Indicators
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**corruption perception index (world rank 2016)
out of 176**



Index of Economic Freedom by Heritage Foundation evaluated the Freedom from Corruption positively. In 2016, the ranking score of Georgia resulted in 51st place (in 2012 Georgia was on 69th position).

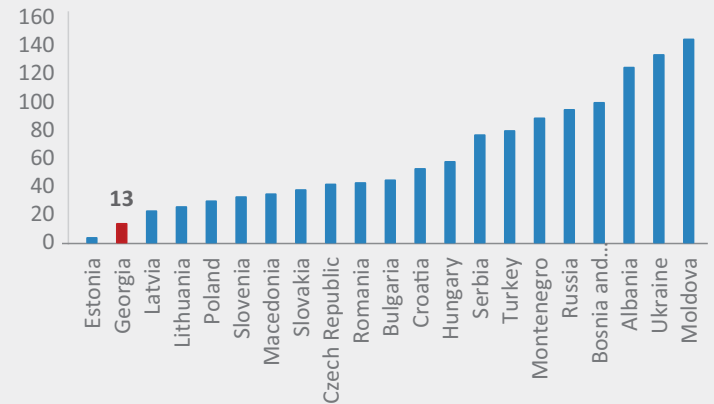
According to the Worldwide Governance Indicator 2015 by the World Bank, Georgia's score in Control of Corruption Index was resulted in 42.2 points and 52th place in 2014 compared to 76th place in 2012.

According to the World Justice Project's Rule of Law index, in 2015 Georgia was on 22nd position among 102 states and still holds the first position in the region.

- 2012-2013 – 21st position among 97 countries worldwide and the 2nd position among 21 countries of the region;
- 2014 – 24th position in the world and the 1st position in the region.

Georgia is on one of the best position in Business Bribery Risk and holds 13th position in 2016, with overall 28 points.

Trace Matix - Business Bribery Risk (ranking)



The Trace Matrix measures business bribery risk among 199 countries. The overall country risk score is combined and scaled with four domains – Business Interactions with the Government, Anti-bribery Laws and Enforcement, Government and Civil Service Transparency, and Capacity for Civil Society Oversight, including the role of media – as well as nine subdomains.

The Trace Matrix evaluates each domain with scores. Georgia has 16 points in domain 1 - Business Interactions with the Government (4th position in this domain in 2016), 20 points in domain 2 - Anti-bribery Laws and Enforcement, 21 points in domain 3 - Government and Civil Service Transparency (8th position in this domain), and 41 points in domain 4 - Capacity for Civil Society Oversight.

Macroeconomic Environment

Georgian government is following the reasonable macroeconomic policy. As a result, despite tough situation in the region, Georgian government managed to effectively resolve the challenges. Georgia is at the leading position in the region in terms of overcoming the low economic growth.

According to various international studies Georgian government is carrying out correct macro-economic policy.

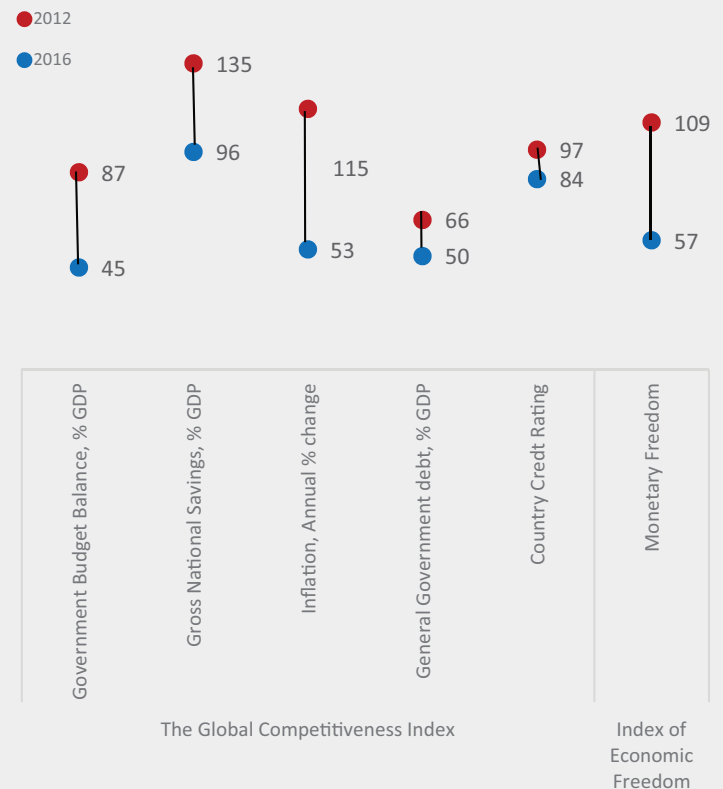
Georgia's macro-economic environment is positively assessed by the Global Competitiveness Index of 2015-2016 the World Economic Forum. From the chart below there are several components showing Georgia's improvement in its macroeconomic environment according the GCI from 2012 to 2016.

- The Ratio of the Government Budget Balance to the GDP – 45th place in 2016;
- The Ratio of Gross National Savings to the GDP – 96th place;
- Annual Inflation Rate – improved by 62 positions from the 115 position in 2012 to the 53rd position in 2016;
- The Ratio of General Government Debt to the GDP – 50th position;
- Country's Credit Rating – 84th position;

Georgia has improved all components included in the Global Competitiveness Index and reflected it in the Macroeconomic Environment. One of the main progress Georgia made from 2012 to 2016 in Macroeconomic

Development ranking side was improvement in Government Budget Balance as % of GDP and as a result country took 45th position compared to 87th position.

Macroeconomic Environment in Georgia (ranking)



Monetary freedom is part of the index of economic freedom and the development in this field should also be underlined. According to the Index of Economic Freedom of the Heritage Foundation, monetary Freedom in Georgia has improved and the country shifted from 109th position in 2012 to 57th position in 2016.

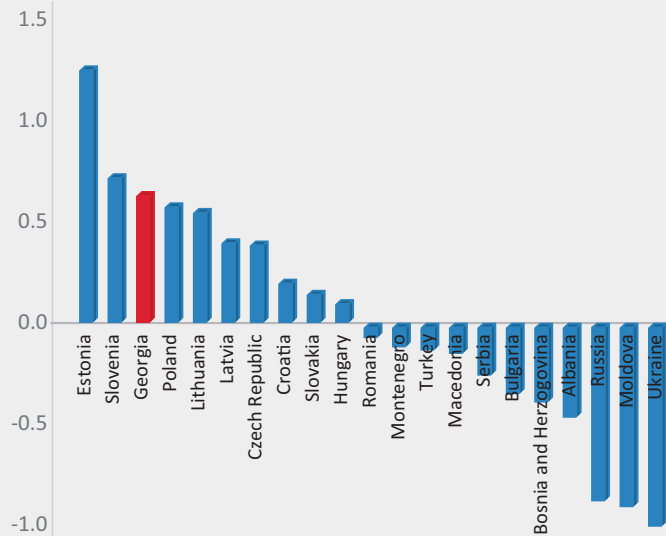
Worldwide Governance Indicators

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.

The Worldwide Governance Indicators (WGI) project reports aggregate individual governance indicators for over 200 countries and territories over the period 1996-2015, for six dimensions of governance.

We can compare Georgia to other countries in this Worldwide Governance Indicators and see how positive performance does Georgia have in these components. One of them in the chart below:

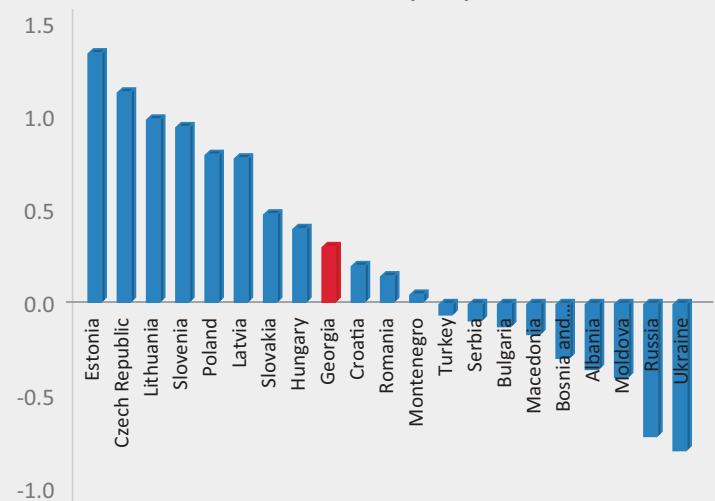
Control of Corruption (WGI)



All six components are following:

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

Rule of Law (WGI)



The six composite WGI measures are useful as a tool for broad cross-country comparisons and for evaluating broad trends over time. However, they are often too blunt tool to be useful in formulating specific governance reforms in particular country contexts. Such reforms, and evaluation of their progress, need to be informed by much more detailed and country-specific diagnostic data that can identify the relevant constraints on governance in particular country circumstances.

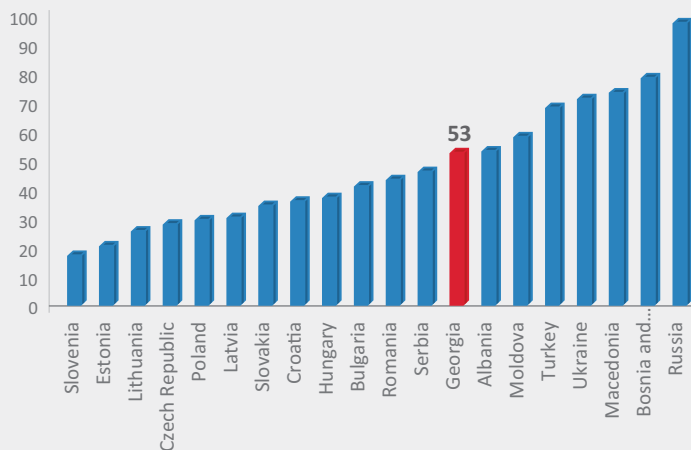
Efficient and Transparent Governance

Positive Evaluation of efficiency and transparency of Georgian Government by the international ranking institutions is of outmost importance, which is evidenced in improved positions of Georgia in global rankings.

Georgia's position in Transparency of Government Policy Making indicator has been improved by 5 positions in last 4 years and in 2016 was on the 31st position. This indicator is evaluated by the Global Competitiveness Index. It should be mentioned that the ranking is based on the survey among the ordinary citizens and representatives of the business and not the government institutions.

In 2015, Georgia improved its position and among democracy countries was on 53rd place. Compared the same component to 2012, Georgia has improved by 8 positions.

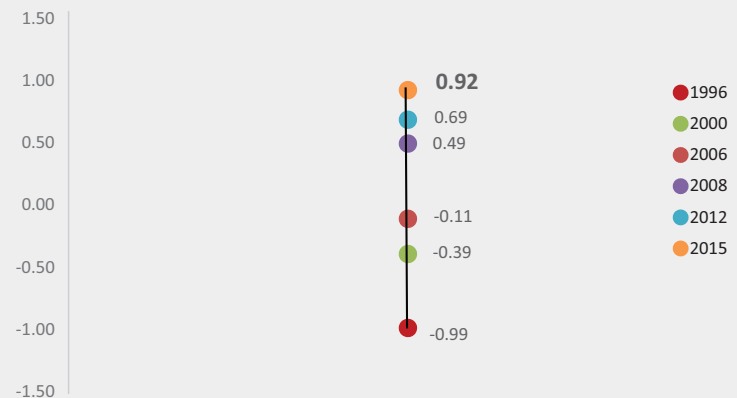
Global Democracy Ranking 2015



Worldwide Governance Indicators of the World Bank revealed Georgia's significant progress in different fields including Regulatory Quality, Government Effectiveness, Voice and Accountability, Rule of Law, Control of Corruption and Political Stability and Absence of Violence/Terrorism.

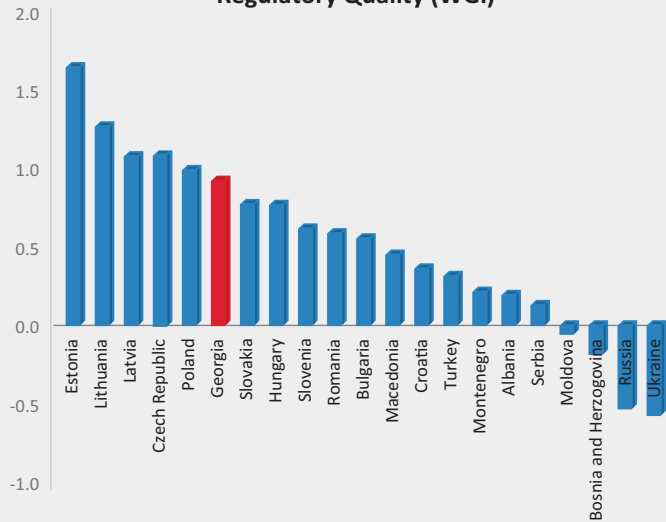
Each indicator is based on the data collected from ordinary citizens, entrepreneurs, representatives of public and private sectors, non-governmental organizations as well as on the views and opinions of the experts of the field. In the component of Regulatory Quality, Georgia has improved by 14 steps and took 44th position.

Regulatory Quality in Georgia (score, WGI)

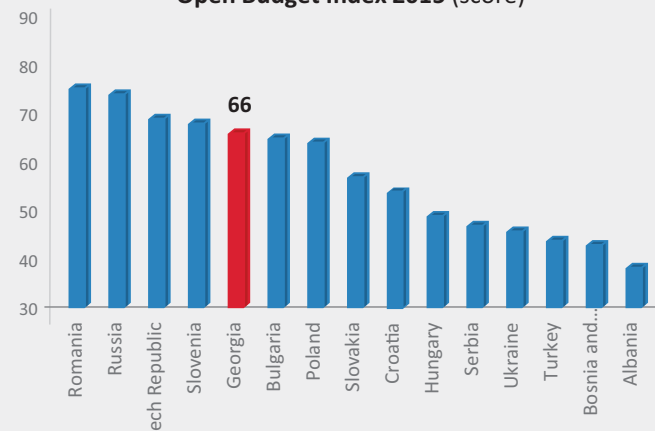


In terms of Government Effectiveness Georgia has improved its ranking by 4 positions and moved to 60th place, while in Voice and Accountability indicator Georgia improved its position elevation by 16 steps and took 91th place.

Regulatory Quality (WGI)



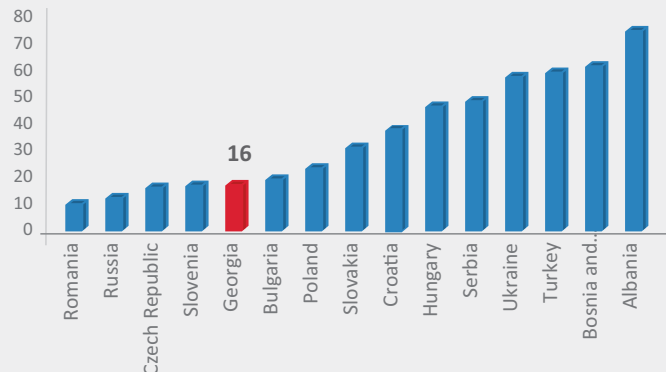
Open Budget Index 2015 (score)



According to the Open Budget Index by International Budget Partnership, Georgia's position has significantly improved in 2015, compared to 2012, and is on 16th position among 102 countries with 66 points (in 2012, Georgia was on the 33rd position with 55 points).

Georgia's indicators in the World Bank's Worldwide Governance Indicator are increasing. The highest rates in all six categories were reached compared to previous 18 years.

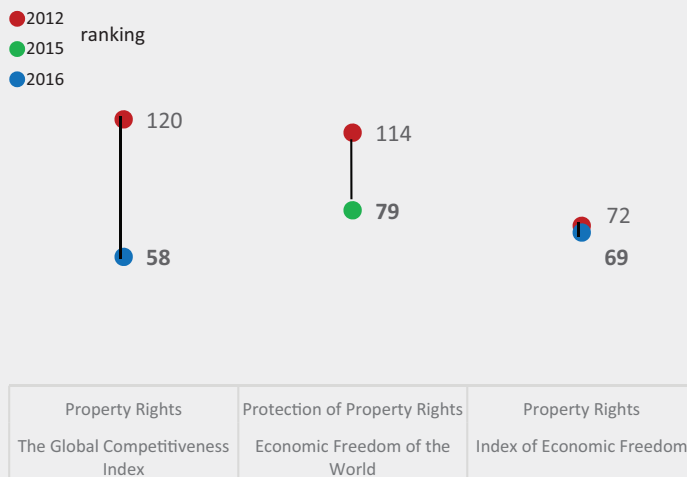
Open Budget Index 2015 (ranking)



Property Rights

In 2012-2016 one of the most important challenges for the Georgian government was the protection of property rights. In this regard, the government conducted significant reforms. Special institutions were established in order to study the legal violations of previous years. It should be noted that de-politicization of the national judicial system played an important role in this process.

It is important that the reasonability of measures implemented by Georgian Government towards the protection of property were confirmed by the international rankings.



According to the Global Competitiveness Index by the World Economic Forum in 2015-2016, Property Rights indicator in Georgia is improved by 62 positions to 58th place compared to the case of 2012. It is important that

the methodology of this rating is based on surveys among the representatives of private sector.

According to the report of 2015 on Economic Freedom of the World by Fraser Institute in the component of the Protection of Property Rights Georgia's position was improved to 79th place. In 2012 Georgia was on 114th position and as a result, in 3 years the development was 35 positions.

Index of Economic Freedom by Heritage Foundation placed Georgia in the Property Rights indicator on 69th position among 157 countries in 2016 (compared to the 72nd position in 2012). Country improved with 3 positions in the last 4 years.

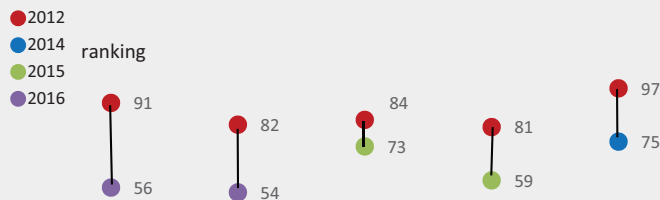
Judicial Independence

Judicial independence is the concept that the judiciary needs to be kept away from the other branches of government. That is, courts should not be subject to improper influence from the other branches of government, or from private or partisan interests. Judicial Independence is vital and important to the idea of separation of powers.

A truly independent judiciary has three characteristics. First, it is impartial. Judicial decisions are not influenced by the judge's personal interest in the outcome of the case. Second, judicial decisions, once rendered, are respected. The third characteristic of judicial independence is that the judiciary is free from interference. Parties to a case, or

others with an interest in its outcome, cannot influence the judge's decision. In practice, protecting judges from private persons with an interest in the case means preventing judicial corruption. Insulating judges from officials of other branches of government is often taken to be the most important aspect of judicial independence.

Judicial Independence is measured by different indexes like Impartial Courts, Rule of Law or Judicial Independence as well.



Judicial Independence	Efficiency of Legal Framework in Settling Disputes	Impartial Courts	Judicial Independence	Rule of Law
The Global Competitiveness Index	Economic Freedom of the World	Worldwide Governance Indicators		

According to the Global Competitiveness Index 2015-2016 of the World Economic Forum in the component of the Judicial Independence, Georgia's positions has improved by 35 positions to 56th place in 2015-2016 compared to 91st position in 2011-2012; Georgia took 59th place in the same component, according to the report of 2015 by Fraser Institute of Economic Freedom of the World.

According to the Global Competitiveness Index 2015-2016 of the World Economic Forum in the component of the Efficiency of Legal Framework in Settling Disputes, Georgia's positions has improved by 28 positions compared to 2012 and took 54th place.

According to the report of 2015 by Fraser Institute of Economic Freedom of the World in the component of Impartial Courts, Georgia took 73rd place.

According to the Worldwide Governance Indicator 2015 by the World Bank, in the component of the Rule of Law, in 2014 Georgia has improved its position and is now on 75th place. Georgia was ranked ahead of some EU member states, including Romania and Bulgaria. Moldova, Ukraine, Armenia, Azerbaijan and Russia are standing below Georgia in rankings as well.

Law Enforcement

As a result of Georgian government's law enforcement system reform, the criminal situation with respect to business protection has significantly improved. This was positively reflected in the lower costs for local businesses as well as the approaches of potential investors.

It is noteworthy that all the components listed in the ratings are based upon the surveys conducted among the representatives of the business sector of Georgia.



Law Enforcement has several sub-components such as Reliability of Police Services, Organized Crime, Business Costs of Crime and Violence, Reliability of Police, Political Stability and Absence of Violence.

In the component of the Reliability of Police Service, which is assessed by the Global Competitiveness Index, Georgia has improved its position with 14 positions compared to 2012 and holds 7th place. The Global Competitiveness Index analyzes 3 main components on the law enforcement in the country. The next component

is Organized Crime, where Georgia has one of the most important progress and improvement is with 50 positions up to 17th place.

Georgia has improved its position also In the Business Costs of Crime and Violence by 31 positions compared to 2012 and took 18th place in 2016.

In the component of Reliability of Police Georgia is on 26th position. Improvement is by 13 positions from 2012 and this components is being assessed by Economic Freedom of the World.

In the component of Political Stability and Absence of Violence improvement is by 27 positions. This is part of Worldwide Governance Indicators and from the data, Georgia was on 160th position in 2012 and in 2014 country took 133rd place.

Sovereign Credit Ratings

Fitch Ratings

Fitch affirms Georgia at BB- (Outlook Stable) for 2017

Long-Term Foreign- Currency IDRs	BB-
Long-Term Local-Currency IDRs	BB-
Senior unsecured Foreign-Currency bonds	BB-
Senior unsecured Local-Currency bonds	BB-
Short-Term Foreign-Currency IDRs	B
Short-Term Local-Currency IDR	B
The Country Ceiling	BB

Structural features are broadly in line with 'BB' rated peers. Per capita income is relatively low, both at market exchange rate and in PPP terms, but the human development index is broadly aligned with the 'BB' median. Additionally, governance and business environment indicators compare favorably with 'BB' medians, underpinned by open and business-friendly policies.

The Georgian Dream coalition was renewed following to the October 2016 legislative elections, securing a vast majority. In Fitch's view, the election outcome and the newly signed IMF program will result in policy continuity.

Fitch ratings has been quite stable over the years. Due to the global financial crisis combined with negative shocks resulting from Georgian-Russian war, BB- rating has

worsen to B+ in 2008. After recovery, Georgia returned to its BB- rating in 2011 and since then has been maintaining the stable position.

Fitch Ratings over years

Year	Rating	Outlook
Jul-07	BB-	stable
Aug-08	B+	negative
Apr-09	B+	negative watch
Aug-09	B+	stable
Mar-11	B+	positive
Dec-11	BB-	stable
Oct-14	BB-	positive
Apr-15	BB-	stable
Oct-16	BB-	stable
Mar-17	BB-	stable

Standard & Poor's

Standard & Poor's affirms Georgia at BB- (Outlook Stable)

Long-term issue credit rating	BB-
Short-term issue credit rating	

Standard & Poor's has positively appraised economic growth and balanced fiscal policy factors. S&P views Georgia's banking system as well capitalized and liquid. At the same time, the agency has negatively appraised Georgia's high deficit of account, dependence of payment in imports and growth in external debts. The agency forecasts high economic growth paces.

Standard & Poor's Ratings over years

Year	Rating	Outlook
Dec-05	B+	positive
Nov-06	B+	stable
Oct-07	B+	positive
May-08	B+	stable
Aug-08	B	Negative watch
Sep-08	B	stable
Apr-10	B+	stable
Mar-11	B+	positive
Nov-11	BB-	stable
May-16	BB-	stable

Moody's

Moody's affirms Georgia at Ba3 (Outlook Stable) for 2017

Economic Strength	low (+)
Institutional Strength	high (-)
Fiscal Strength	moderate
Susceptibility to Event Risk	moderate (+)

According to Moody's Investors Service Georgia's Ba3 rating is supported by high average growth rates, strong and improving institutions and a relatively moderate debt burden. Credit challenges include low GDP per capita, a small economy, external vulnerability, including a high proportion of foreign currency public and private debts, and geopolitical risks.

The stable outlook on Georgia's rating reflects a balance between upward and downward pressures. Negative pressures stem from a deterioration in economic and fiscal metrics – mainly lower growth, high current account deficits, and an increase in external debt – owing to slower regional growth and currency depreciation.

Upwards pressured come from a strong and improving institutional framework, which is bolstered by the Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU.

Moody's Ratings over years

Year	Rating	Outlook
Oct-10	Ba3	stable
Aug-14	Ba3	positive
Mar-16	Ba3	stable
Mar-17	Ba3	stable

