

GEORGIA



COUNTRY ASSESSMENTS

HIGHLIGHTS

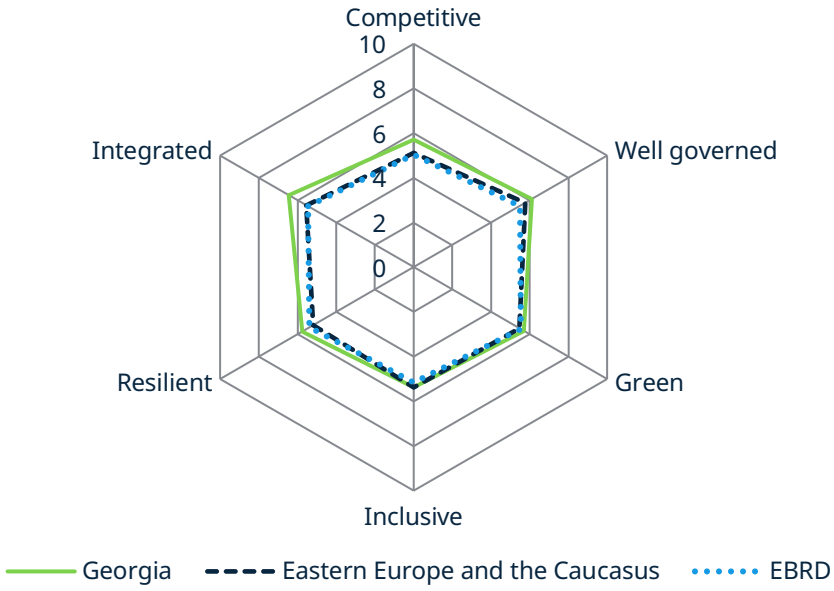
- **Economic growth has remained robust in 2026, despite inflationary pressures.** Real gross domestic product (GDP) is estimated to have expanded by 7.6 per cent year on year in the first eight months of 2026. Higher energy prices exerted upward pressure on inflation, prompting the National Bank of Georgia (NBG) to increase the policy rate by 25 basis points in May 2026. Sizeable foreign-exchange purchases by the NBG contributed to a further buildup of gross international reserves in the first half of 2026.
- **Georgia made strides in improving connectivity.** The realisation of regional connectivity initiatives continued with the implementation of transport infrastructure projects and the improved coordination of freight services along the Middle Corridor. Considerable multilateral development bank financing was approved for further projects in this area.
- **The financial sector saw continued reform progress.** A new factoring law, adopted in April 2026, will formalise the transfer of receivables with a view to easing small and medium-sized enterprise (SME) access to working capital. Measures to strengthen the NBG's autonomy and improve the tracking of sustainable finance are steps in the right direction.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Improve regulatory predictability, anti-corruption institutions and judicial independence.** Progress in these areas could help attract more foreign direct investment and reinforce Georgia's position as a regional trade and services hub.
- **Implement structural reforms to boost productivity and competitiveness.** Key reforms should include further improvements to education and skills, innovation, state-owned enterprise governance and the business environment, while increasing connectivity and accelerating the deployment of green energy infrastructure.
- **Advance regulatory and institutional alignment with European Union (EU) standards.** This could help sustain reform momentum, strengthen investor confidence and promote long-term competitiveness gains and closer integration with European markets.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

Financial sector

- The October 2026 amendments to the Organic Law on the National Bank of Georgia clarified the succession framework, specified qualification requirements for Board members in greater detail, and introduced a collegial decision-making model, in line with recommendations by the International Monetary Fund.
- The Law on Factoring, adopted in April 2026, aims to improve access to working capital financing. The new law, which will take effect in January 2027, introduces a legal framework to enable invoice financing and the transfer of receivables, primarily by SMEs.

1 From the fourth quarter of 2025 to October 2026.

Public governance

- Legislative amendments, enacted in December 2025, took effect on 2 March 2026, abolishing the Anti-Corruption Bureau and Personal Data Protection Service as separate entities and transferring their functions to the State Audit Office.
- In March 2026 parliament adopted a set of amendments that broadened the categories of foreign grants requiring government approval and introduced criminal liability for specific violations. The same package introduced restrictions and penalties related to foreign-funded political activities.

Immigration policy

- Amendments adopted in June 2025 took effect in March 2026, requiring foreign nationals without permanent residency to obtain authorisation for work or remunerated self-employment in Georgia.

Investment and export promotion

- In April 2026 the Public-Private Partnership (PPP) Agency was transformed into the Investment Agency, with an expanded mandate. The Agency retained PPP-related responsibilities and was assigned new functions including investment attraction and support, export promotion and exporter services.

Sustainable finance

- In January 2026 the NBG started publishing monthly data on bank loans classified as green under its Sustainable Finance Taxonomy. The dashboard illustrates sectoral composition and helps track the taxonomy-aligned lending.

Climate policy

- In March 2026 Georgia submitted its third Nationally Determined Contribution (NDC 3.0) under the Paris Agreement, committing to reduce net greenhouse gas emissions by 47 per cent from 1990 levels by 2030 and by 50 per cent by 2035, while strengthening mitigation and adaptation priorities across key sectors.

Human capital development

- In December 2025 parliament adopted a legislative package pertaining to the higher education system. The changes provide for full state financing of Georgian citizens studying at government-established higher education institutions and introduce a 3+1 structure, with three-year bachelor's and one-year master's programmes, subject to exceptions for regulated fields.