

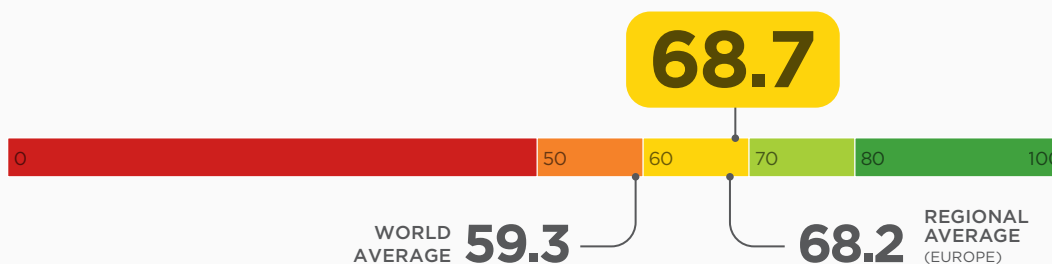
WORLD RANK:	REGIONAL RANK:
35	21
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

GEORGIA

Georgia's economic freedom score is 68.7, making its economy the 35th freest in the 2023 *Index*. Its score has declined over the past year. Georgia is ranked 21st out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

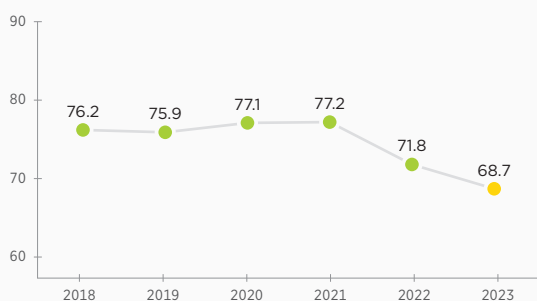
Georgia is considered a “moderately free” economy and performs quite well in some key policy areas. Notable reforms to enhance regulatory efficiency have been implemented, and open-market policies are maintained along with low tax rates. The economy has demonstrated a high level of resilience. Persistent institutional weaknesses require much more committed reforms.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +24.6

RECENT FREEDOM TREND



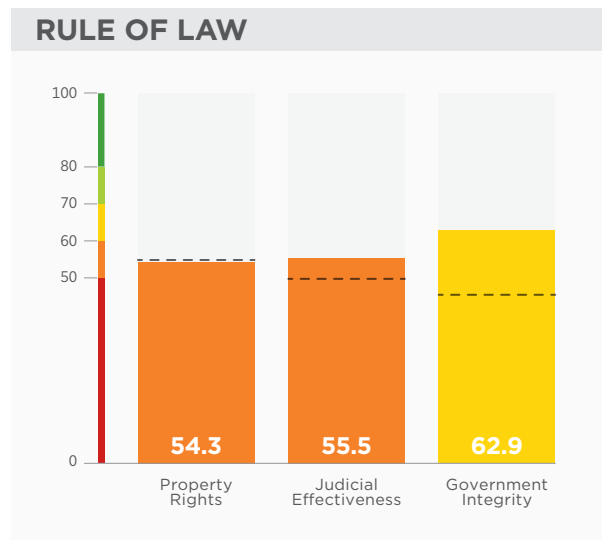
QUICK FACTS

POPULATION: 3.7 million	UNEMPLOYMENT: 18.5%
GDP (PPP): \$63.0 billion 10.4% growth in 2021 5-year compound annual growth 3.7%	INFLATION (CPI): 9.6%
FDI INFLOW: \$1.2 billion	PUBLIC DEBT: 49.5% of GDP

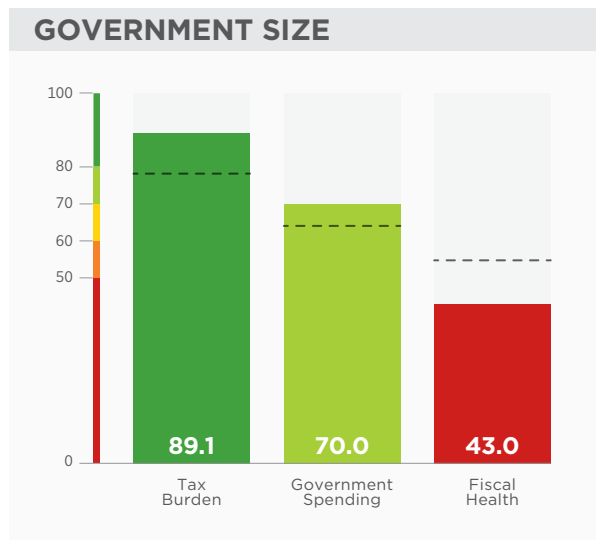
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Russia invaded this South Caucasus country in 2008 and continues to occupy South Ossetia and Abkhazia, which together account for approximately 20 percent of Georgia's territory. Prime Minister Giorgi Gakharia resigned in February 2021 because of disagreements over the detention of Nika Melia, leader of the opposition United National Movement. Former Prime Minister Irakli Garibashvili, a member of the ruling Georgian Dream party, was chosen to replace Gakharia. Georgia's economy was making notable progress until the onset of the COVID-19 pandemic. Agriculture and related industries employ more than half of the workforce. Georgia remains an official aspirant for NATO membership.

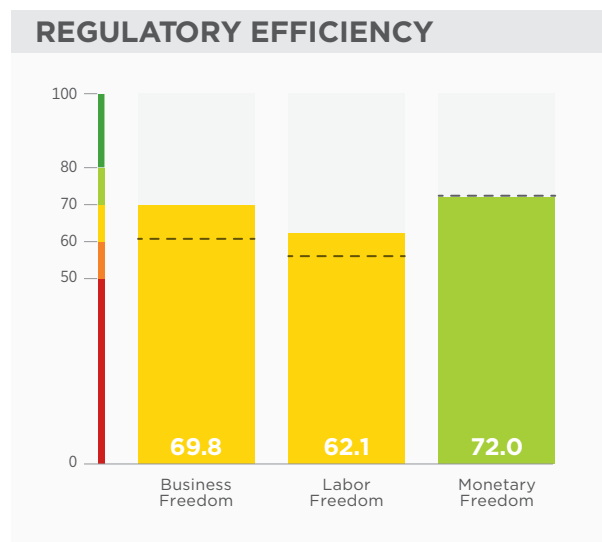
12 ECONOMIC FREEDOMS | GEORGIA



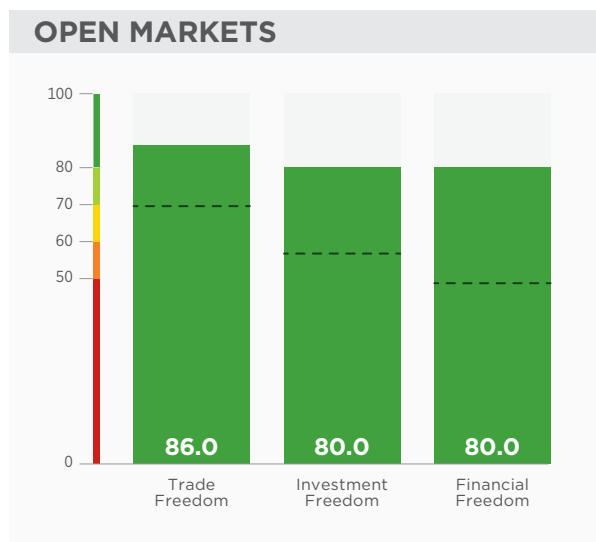
The overall rule of law is relatively well respected in Georgia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 20 percent and 15 percent. The tax burden equals 22.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -5.7 percent of GDP. Public debt equals 49.5 percent of GDP.



The regulatory environment is relatively efficient. The non-salary cost of hiring a worker is moderate, and regulations on work hours are flexible. Prices are generally set in the market, but the state maintains price-control measures. The most recent available inflation rate is 9.6 percent.



The trade-weighted average tariff rate is 2.0 percent, and more than 60 nontariff measures are in force. Foreign ownership of agricultural land is subject to restrictions. Access to financing has improved in the banking sector. Capital markets are evolving, but the stock exchange remains small.