



Welcome to the World Bank Enterprise Surveys

საგარეო ურთიერთობების სამსახური
საგარეო ურთიერთობების სამსახური
საგარეო ურთიერთობების სამსახური



Georgia has been listed among top 10 least corrupted countries from 144 countries worldwide and received exceptional recognition in the improvement of the **Corruption Freedom Index** globally





- The percentage of companies in Georgia that have experienced at least one bribe payment request is **only 1,3%**.
- The mentioned indicator reaches 10% in European and Central Asian countries, and 12% in higher average income countries.





Georgia holds the best place in the world amongst the surveyed countries.

- In Georgia, the number of requests for gifts / illegal payments from private companies **varies only from 1 to 1.4%**, as opposed to 9% - 15% in some European and Central Asian countries and 10% - 19% in above- average income countries.
- There is 0 percent of private firms expected to give gifts to obtain operating licenses as opposed to the world average of 13%.





To compare with the same World Bank 2012 survey

- **Bribery Incidence indicator** for Georgia stood at 9.84%, while the **Bribery Depth indicator** at 8.72%
- These two indicators in 2012 were 8-16 times unfavorable compared to the same indicators in 2019.
- The essential improvements have started since 2013, Bribery Incidence (1.43%) and Bribery Depth (0.94%) indicators drastically improved

Note:

Bribery Incidence Indicator - percent of firms experiencing at least one bribe payment request

Bribery Depth Indicator - percent of public transactions where a gift or informal payment





Georgia's Economic policy is oriented on free, fair, inclusive and sustainable development, resulting in:

- Effective public services;
- Open and fair competition on the market;
- Proper protection of property and intellectual rights;
- Freedom of access to free judiciary.

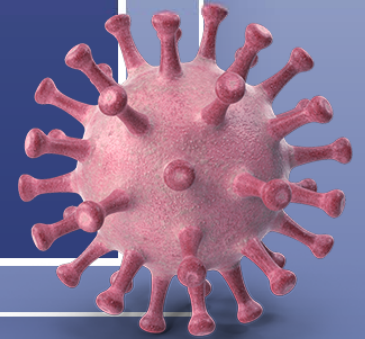




Nevertheless the impact of the **Covid - 19** pandemic to Georgian economy, positive trend of international institutions ratings continues.

Recently Fitch Ratings left the sovereign credit rating for Georgia unchanged at "BB". Agency has positive assessment of:

- Economic policy;
- Business environment;
- Institutional strength and quality of governance;
- Resilience of the Georgian economy to shocks;
- Maintenance of macroeconomic stability/reduced risks of the current account deficit;
- Stability of the financial sector: with limited foreign exchange interventions/softened exchange rate fluctuations.





Established Liberal, Stable, Secure and Corruption free business environment, reflected in the international institutions ratings:

- **World Bank's "Doing Business 2020"** - 7th place in "EASE OF DOING BUSINESS" (out of 190 countries);
- **Fitch Ratings** - Fitch Ratings affirmed the IDR at 'BB';
- **Moody's Investors Service** affirmed Georgia's Ba2 rating with stable outlook;
- **Standard and Poor's** -rating is BB "stable";
- **Heritage Foundation** - 12th place in "Index of Economic Freedom 2020" (out of 180 countries, 6th in the Europe);
- **World Economic Forum** - 74th place in "The Global Competitiveness Index 2019" among 141 countries.
- **Forbes** - 44th place in 2018 ranking of "Best Countries for Business " among 161 countries;





Further trade liberalization and deeper integration into the world's leading markets is top priority.

- **Free Trade Agreements with UK, Turkey, CIS countries, EFTA countries, China (including Special Administrative Region - Hong Kong), DCFTA with the EU, all together covering about 2.3 billion consumer market;**
- **Enjoying GSP regimes with the US, Canada and Japan - additional 490 million-consumer market.**





Liberal tax policy with simple and service oriented procedures:

- Customs clearance in 20 minutes;
- 80% of goods are free from import tariffs with no quantitative restrictions.
- Just 6 flat taxes are in force:
 - Corporate Profit Tax - 0% or 15%;
 - Personal Income Tax - 20%;
 - Value Added Tax - 18%;
 - Property Tax up to 1%;
 - Customs/Import Tax - 0%, 5% or 12%;
 - Excise Tax (depends on goods).

TAX



State Incentives and Funds stimulating economy:

- **Partnership fund** with a budget of 1.4 billion USD, 100% State owned;
- **Georgian Energy Development Fund** - 100% State owned.
- **Georgian Co-Investment Fund** with a budget of US\$ 6bn, only private equity.
- **Program "Produce in Georgia"** - stimulating the establishment of new enterprises and supporting the expansion of existing ones;
- **Start-up Support Program** - GITA - providing Access to Finance for innovative projects, as well as supports R&D commercialization and technology transfer;
- **Agricultural and Rural Development Agency (ARDA)** - promoting rural development in Georgia;
- **Free Industrial Zones (FIZs)** in Tbilisi, Kutaisi and Poti (seaport);
- **Free Tourism Zones** in Anaklia, Kobuleti, Ganmukhuri.



- The World Bank interviewed 581 firms from March, 2019 through January 2020 in Georgia.
- The survey covers important factors for **business environment** and **national economy** such as:
 - Infrastructure;
 - Foreign trade;
 - Finances;
 - Regulations;
 - Taxes and business licensing;
 - Corruption;
 - Crime and informal economy;
 - Accessibility to finances;
 - Innovations;
 - Workforce and Obstacles for businesses.
- The ES study is carried out by the World Bank every four years together with its partners such as EBRD, EIB, DFID.

