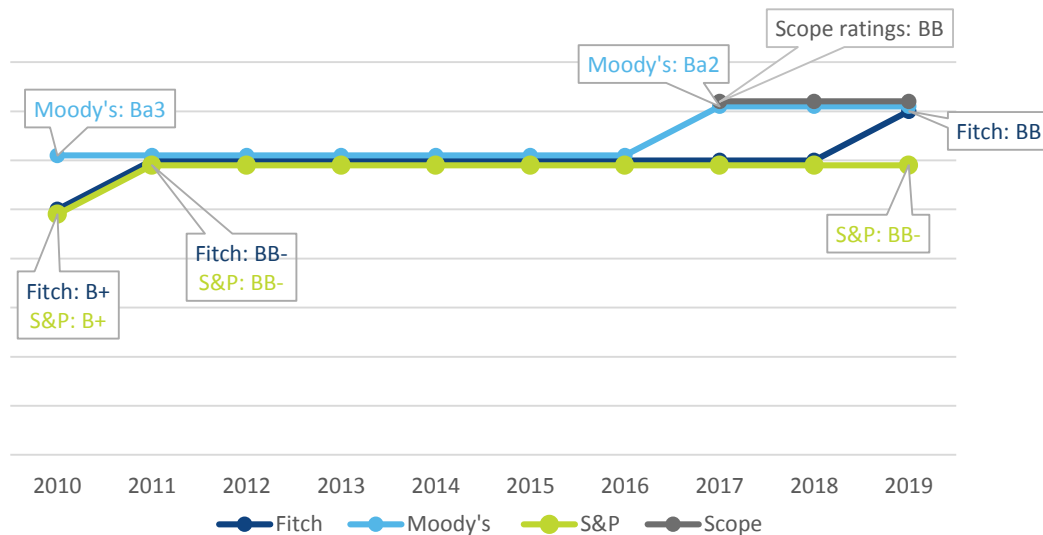


# S&P upgrades outlook on Georgia's credit rating from stable to positive

- On April 12, 2019, S&P revised Georgia's sovereign credit rating outlook from stable to positive.
- According to the agency, demonstrated economic resilience amid turbulent region over 2014-18, efforts to widen the exports and foreign investment geography along with the continued investments in infrastructure, country's strong institutional framework compared to region economies, stable public debt levels and prudent policymaking are all supportive to the credit rating. S&P welcomed the Central Bank keeping inflation close to the target with the flexible exchange rate regime as well as credit regulations to increase banking system's shock absorbing capacity. The compliance with IMF program conditions are also highlighted to be supportive.
- Positive rating action could be triggered if, for example, country continues robust growth performance and the accumulation of external buffers. At the same time, the outlook may be revised back to stable if growth in Georgia's economic partners weakens and the institutional quality worsens leading to less attractive business environment. Traditionally, low level of GDP per capita, CA deficit and external debt are seen as constraints for the rating improvement.

Georgia's credit rating history (from 2010 to date)



Source: Fitch, Moody's, S&P, Scope Ratings

S&P Sovereign credit rating in Georgia and broader region

	Sovereign credit rating	Outlook
Poland	A-	Stable
Kazakhstan	BBB-	Stable
Russia	BBB-	Stable
Croatia	BBB-	Stable
Azerbaijan	BB+	Stable
Serbia	BB	Positive
<b>Georgia</b>	<b>BB-</b>	<b>Positive</b>
Turkey	B+	Stable
Ukraine	B-	Stable

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