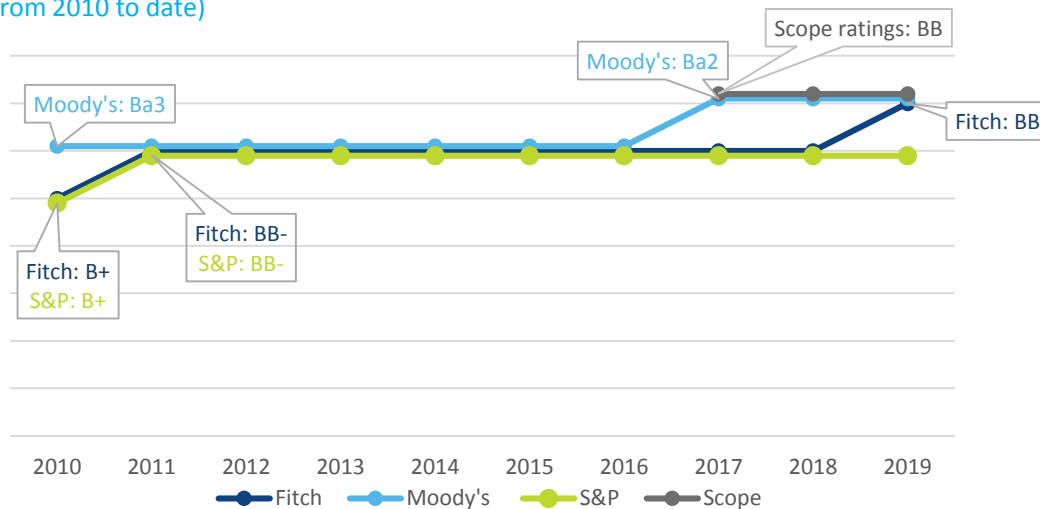


# Fitch affirms Georgia's credit rating at 'BB' with stable outlook

- On August 16, Fitch Ratings affirmed Georgia's sovereign credit rating at 'BB' with stable outlook.
- While facing the tourism shock stemming from the Russia's flight ban, Fitch named track record of resilience against external developments, favorable governance and business environment indicators as rating supportive. In its press-release the rating agency also underlined the resilience of the banking sector with high capitalization and low level of NPLs. New macro-prudential measures support the normalization of the credit growth and de-dollarization of banking balance sheet, further enhancing a stability of the economy.
- According to the rating agency, external vulnerabilities remain the key rating weakness, however, those are easing gradually. CA deficit is expected to narrow further to an average of 5.3% over 2019-2021. The FDI inflows are expected to fully cover the CA deficit over the projection horizon.
- Following the tourism shock, growth is set to moderate to 4.3%, before averaging 4.7% over 2020-21 – in line with TBC research expectations for 2019 and 2020 (see latest [monthly update](#)). Also, Fitch expects inflation at 3.8% for 2019 and close-to-target inflation over 2020-2021. According to the TBC Research projections, inflation should pick up further unless the GEL strengthens substantially from its current levels (see note on [inflation and exchange rate](#)).
- Full rating action commentary can be found on the following [link](#).

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



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

Fitch Sovereign credit rating

	LC	FC	Outlook
Poland	A-	A-	Stable
Kazakhstan	BBB	BBB	Stable
Russia	BBB	BBB	Stable
Croatia	BBB-	BBB-	Positive
Azerbaijan	BB+	BB+	Stable
<b>Georgia</b>	<b>BB</b>	<b>BB</b>	<b>Stable</b>
Serbia	BB	BB	Stable
Turkey	BB-	BB-	Negative
Armenia	B+	B+	Positive
Ukraine	B-	B-	Stable

Source: Fitch Ratings

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