

RAEX-Europe confirmed at ‘BB’ the ratings of Georgia. The rating outlook changed from stable to negative.

RAEX-Europe confirmed the sovereign government credit ratings (SGC) of Georgia at ‘BB’ (Sufficient level of creditworthiness of the government) in national currency and at ‘BB’ (Sufficient level of creditworthiness of the government) in foreign currency. The rating outlook changed from stable to negative, which means that in the mid-term perspective there is a high probability of downgrading the rating score.

“The change in the outlook from stable to negative is mainly a reflection of our view that the hit of the pandemic will last longer than anticipated and will shift the fiscal stance of the government in the mid-term horizon. However, we decided to maintain the ratings at ‘BB’, as our best case scenario shows an economic recovery faster than expected in case the pandemic eases substantially in 2Q 2021 and onwards.

In general, we have seen a strong deterioration of the external stance showing the outstanding dependence of the country on external events and international markets. In addition, the monetary policy has been adequate, adapting to the current economic situation and stabilizing the level of inflation, while the banking sector metrics remain quite satisfactory under the current circumstances”. – Clarified Hector Alvarez, Associate Director of RAEX-Europe.

Research report on Georgia is available at:

https://raexpert.eu/reports/Research_report_Georgia_02.04.2021.pdf

Next scheduled rating publication: 1 October 2020. The full sovereign rating calendar can be found at [Sovereign Rating Calendar 2021](#)

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