**Government debt**

Within the limits determined in accordance with the Organic Law of Georgia on Economic Freedom, the balance of the government debt and the total current value of the financial obligations assumed within the projects meeting the criteria of private-public partnership, equals 28,922.8 million GEL, as of 31 December 2022.

The above-mentioned total value includes the public debt stipulated by the Law of Georgia "On the Public Debt of Georgia” in addition to the obligations assumed by the National Bank of Georgia - 28,497.1 million GEL, the existing balance of loans of budgetary organizations - 41.1 million GEL, and the current value of the financial obligations assumed within the projects meeting the criteria of private-public partnership - 384.6 million GEL.

**External debt of the government**

The balance of the government's external debt - 21,392.0 million GEL, is 75% of the total government debt. A large part of the said credit resource is received from multilateral and bilateral donors/partners to finance priority infrastructure projects for the country. The government's external debt portfolio is preferential and consists mainly of long-term loans - the weighted average contract term of the portfolio is 21.4 years, the weighted average remaining term before payment is approximately 9 years, and the weighted average interest rate on the government's external debt is 2.23%.

**Government debt structure as of 31 December 2022**

Weighted average:

- interest rate **2.23%**

- contract term **21.4 years**

- remaining term **9.0 years**

As of December 31, 2022, 52% of the government's external debt portfolio consists of fixed-rate loans. This circumstance contributes to the protection of the Georgian government's external debt service parameters from exogenous interest rate fluctuations and ensures the maintenance of debt service costs at a low level.

**Structure of the Government’s External Debt - as of 31 December 2022**

| **Creditor** | **Credit currency** | **Balance**  **thousand US dollars** | **Balance**  **Thousand Lari** | **Interest rate** | **Interest rate for the given date** | **weighted interest rate** |
| --- | --- | --- | --- | --- | --- | --- |
| ***External debt of the government*** | | ***7 917 096*** | ***21 391 992*** |  |  |  |
| **Multilateral creditors** | | **5 815 273** | **15 712 867** |  |  |  |
| International Development Association (WB - IDA) | SDR | 479 180 | 1 294 744 | Fixed | 0.75% | 0.045% |
| 212 242 | 573 477 | Fixed | 2.00% | 0.054% |
| 7 608 | 20 556 | Fixed | 2.15% | 0.002% |
| International Bank for Reconstruction and Development (WB - IBRD) | EUR | 96 075 | 259 596 | Fixed | 1.39% | 0.017% |
| 5 702 | 15 405 | Fixed | 3.05% | 0.002% |
| 7 408 | 20 016 | Fixed | 3.77% | 0.004% |
| 7 120 | 19 239 | Fixed | 4.11% | 0.004% |
| 6 561 | 17 728 | Fixed | 4.52% | 0.004% |
| 272 267 | 735 667 | Euribor+VS | 2.37% | 0.081% |
| USD | 909 856 | 2 458 430 | Ref.Rate+VS | 4.63% | 0.532% |
| International Fund for Agricultural Development (IFAD) | SDR | 15 596 | 42 141 | Fixed | 0.75% | 0.001% |
| 9 352 | 25 269 | Fixed | 2.00% | 0.002% |
| 2 886 | 7 798.94 | (Ref.Rate + IBRD VS)/2 | 1.29% | 0.000% |
| EUR | 9 165 | 24 763 | Euribor+VS | 3.26% | 0.004% |
| International Monetary Fund (IMF EFF, MOF) | SDR | 195 634 | 528 603 | SDR Rate of Charge | 3.92% | 0.097% |
| European Union (EU) | EUR | 101 413 | 274 018 | Fixed | 0.13% | 0.002% |
| 10 675 | 28 844 | Fixed | 0.52% | 0.001% |
| 13 878 | 37 497 | Fixed | 1.16% | 0.002% |
| 16 013 | 43 266 | Fixed | 1.25% | 0.003% |
| European Bank for Reconstruction and Development (EBRD) | EUR | 237 208 | 640 936 | Euribor+ 1% | 2.56% | 0.077% |
| Asian Development Bank (ADB) | SDR | 52 406 | 141 602 | Fixed | 1.00% | 0.007% |
| 244 303 | 660 106 | 1.50% | 0.046% |
| 21 826 | 58 974 | 1.60% | 0.004% |
| 174 517 | 471 545 | 2.00% | 0.044% |
|  | 98 533 | 266 236 | 0.24% | 0.003% |
|  | 75 750 | 204 677 | 0.33% | 0.003% |
|  | 182 355 | 492 722 | 0.39% | 0.009% |
| EUR | 45 279 | 122 345 | 0.64% | 0.004% |
| 781 157 | 2 110 685 | Euribor+FS | 2.31% | 0.228% |
| USD | 396 181 | 1 070 480 | Ref.Rate+FS | 4.33% | 0.217% |
| Asian Infrastructure Development Bank (AIIB) | USD | 53 176 | 143 680 | Ref.Rate+VS | 5.24% | 0.035% |
| EUR | 94 889 | 256 390 | Euribor+VS | 1.70% | 0.020% |
| 48 038 | 129 798 | 2.45% | 0.015% |
| Council of Europe Development Bank (CEB) | EUR | 8 317 | 22 472 | Fixed | 1.78% | 0.002% |
| 962 | 2 600 | Euribor+VS | 2.74% | 0.000% |
| European Investment Bank (EIB) |  | 493 191 | 1 332 602 | Fixed | 1.33% | 0.083% |
| 426 460 | 1 152 295 | Euribor+FS | 2.08% | 0.112% |
| Nordic Environment Finance Corporation (NEFCO) | EUR | 2 096 | 5 663 | Euribor+VS | 2.76% | 0.001% |
| **Bilateral Creditors** |  | **1 600 597** | **4 324 814** |  |  |  |
| Austria | EUR | 14 228 | 38 443 | Fixed | 1.00% | 0.002% |
| Azerbaijan | USD | 3 240 | 8 755 | Fixed | 3.00% | 0.001% |
| Turkmenistan | USD | 211 | 570 | Fixed | 4.00% | 0.000% |
| Turkey | USD | 6 309 | 17 047 | Fixed | 3.13% | 0.002% |
| Iran | USD | 2 363 | 6 386 | Fixed | 3.00% | 0.001% |
| Russia | USD | 25 436 | 68 728 | Fixed | 4.00% | 0.013% |
| Armenia | USD | 2 858 | 7 723 | Fixed | 3.00% | 0.001% |
| Kazakhstan | USD | 3 524 | 9 523 | Fixed | 4.00% | 0.002% |
| Germany (KfW) | EUR | 123 381 | 333 376 | Euribor+ FS | 3.04% | 0.047% |
| 503 000 | 1 359 105 | Fixed | 1.17% | 0.074% |
| Japan | JPY | 20 660 | 55 824 | Fixed | 0.01% | 0.000% |
| 103 555 | 279 807 | Fixed | 0.65% | 0.009% |
| 602 | 1 626 | Fixed | 1.30% | 0.000% |
| 21 375 | 57 757 | Fixed | 1.40% | 0.004% |
| 10 841 | 29 292 | Fixed | 2.30% | 0.003% |
| Kuwait | KWD | 7 101 | 19 186 | Fixed | 2.50% | 0.002% |
| 5 207 | 14 071 | Fixed | 3.00% | 0.002% |
| Kingdom of the Netherlands | EUR | 71 | 192 | Fixed | 4.20% | 0.000% |
| USA | USD | 4 739 | 12 806 | Fixed | 2.00% | 0.001% |
| 2 293 | 6 196 | Fixed | 2.25% | 0.001% |
| 3 829 | 10 345 | Fixed | 2.50% | 0.001% |
| France | EUR | 492 293 | 1 330 176 | Fixed | 1.08% | 0.067% |
| 243 480 | 657 882 | Euribor + FS | 1.74% | 0.054% |
| **Securities** |  | **500 000** | **1 351 000** |  |  |  |
| Eurobond | USD | 500 000 | 1 351 000 | Fixed | 2.750% | 0.174% |
| **Guaranteed credits** |  | **1 225** | **3 311** |  |  |  |
| Germany (KfW) | EUR | 1 225 | 3 311 | Fixed | 0.75% | 0.000% |
|  | | **weighted average interest rate** | | | | **2.23%** |

1,207,226.8 thousand GEL was spent from the state budget of Georgia in 2022 to service and cover the government's external obligations, including 970,865.5 thousand GEL - for the repayment of the principal amount, and 236,361.3 thousand GEL - for the interest amount.

**Servicing and repayment of external obligations as of 31 December 2022**

***Thousand, GEL***

| **Creditors** | **Debt repayment** | **Interest** | **Total 2022** |
| --- | --- | --- | --- |
| Austria | 3 416.3 | 434.4 | 3 850.7 |
| Kuwait | 2 601.3 | 935.1 | 3 536.5 |
| Japan | 18 862.1 | 3 759.8 | 22 621.9 |
| Germany | 147 695.7 | 24 478.8 | 172 174.5 |
| USA | 6 419.3 | 805.6 | 7 224.8 |
| Armenia | 2 447.0 | 311.3 | 2 758.3 |
| Azerbaijan | 2 774.0 | 348.0 | 3 122.0 |
| Iran | 2 023.4 | 254.0 | 2 277.4 |
| Kazakhstan | 3 017.4 | 511.8 | 3 529.2 |
| Kingdom of the Netherlands | 60.9 | 10.7 | 71.7 |
| Russia | 9 550.9 | 1 728.3 | 11 279.2 |
| Turkey | 5 401.5 | 744.4 | 6 145.8 |
| France | 57 249.4 | 11 241.1 | 68 490.6 |
| China | 1 132.9 | - | 1 132.9 |
| IDA | 278 180.6 | 23 365.6 | 301 546.2 |
| IBRD | 47 344.3 | 54 939.8 | 102 284.1 |
| IFAD | 4 850.1 | 1 281.2 | 6 131.3 |
| EBRD | 52 847.2 | 9 822.0 | 62 669.1 |
| EIB | 33 788.6 | 10 673.7 | 44 462.3 |
| ADB | 290 450.6 | 35 647.7 | 326 098.3 |
| IMF | - | 11 677.6 | 11 677.6 |
| EU | - | 1 689.7 | 1 689.7 |
| CEB | - | 57.6 | 57.6 |
| AIIB | - | 1 449.7 | 1 449.7 |
| NEFCO | 751.8 | 153.6 | 905.4 |
| Eurobonds | - | 40 040.0 | 40 040.0 |
| ***Total*** | ***970 865.5*** | ***236 361.3*** | ***1 207 226.8*** |

The Ministry of Finance of Georgia issued 6- and 12-month treasury bills and 2-, 5- and 10-year treasury bonds. As of 31 December 2022, the weighted average interest rates recorded at the last auctions of treasury bills and bonds equaled: in case of 6-month term - 9.8%, in case of 12-month term - 9.5%, in case of 2-year term - 9.0%, in case of 5-year term - 8.8%, in case of 10-year term - 8.9%.

As a result of the issuance of securities, the balance of the government's domestic debt, as of 31 December 2022, equals GEL 7 146.3 million (uncovered volume in denominations - GEL 7 078.4 million and the balance of budget organizations - GEL 41.1 million), of which 6 832.3 GEL million represents the balance of treasury bills and bonds, 272.8 million GEL - balance of bonds for NBG and open market operations and 41.1 million GEL - balance in the form of a loan of budgetary organizations.

**Uncovered volume of securities in denominations based on time-limit and type and**

**the balance of debt in the form of loans of budgetary organizations**

**As of 31 December 2022**

*Thousand, GEL*

|  |  |
| --- | --- |
| **Total** | **7 119 508.6** |
| **Treasury securities** | **6 805 540.0** |
| 6-month treasury liabilities | 120 000.0 |
| 12-month treasury liabilities | 295 000.0 |
| 2-year treasury liabilities | 1 196 884.0 |
| 5-year treasury liabilities | 3 598 088.0 |
| 10-year treasury liabilities | 1 595 568.0 |
| **Other securities** | **272 846,0** |
| Bonds for the Georgian National Bank | 120 846,0 |
| Bonds for open market operations | 152 000,0 |
| **Debt balance in the form of loans of budgetary organizations** | **41 122.6** |

As of December 31, 2022, the amount received in the budget as a result of the issuance of treasury bills and treasury bonds amounted to 2,831,642.3 thousand GEL, and the repayment of the principal equaled 1,485,302.6 thousand GEL. Accordingly, the increase in obligations was set at 1,346,339.8 thousand GEL.

State budget expenditures incurred during 2022 for the servicing and repayment of domestic obligations amounted to 550,396.9 thousand GEL. Among them:

* “Bonds for the open market” - repayment of principal amount - 40,000.0 thousand GEL;
* “Bonds for the open market” - service - 13 997.5 thousand GEL;
* "Bond for NBG" - service - 11,915.4 thousand GEL;
* Servicing of treasury bills - 26,775.7 thousand GEL;
* Servicing of treasury bonds - 457 708.3 thousand GEL;

**Government debt balance as of 31 December 2022**

*Thousand GEL*

| **Creditor** | **Balance, as of 31.12.2022** |
| --- | --- |
| **Balance of the external debt of the government** | **21 391 992.3** |
| **Multilateral Creditors** | **15 712 867.5** |
| World Bank (WB) | 5 414 857.5 |
| International Fund for Agricultural Development (IFAD) | 99 972.6 |
| International Monetary Fund (IMF) | 528 603.2 |
| European Bank for Reconstruction and Development (EBRD) | 640 936.5 |
| Asian Development Bank (ADB) | 5 599 372.0 |
| European Investment Bank (EIB) | 2 484 897.3 |
| European Union (EU) | 383 625.2 |
| Asian Infrastructure Investment Bank (AIIB) | 529 868.7 |
| Council of Europe Development Bank (CEB) | 25 071.9 |
| Nordic Environment Finance Corporation (NEFCO) | 5 662.6 |
| **Bilateral Creditors** | **4 324 814.0** |
| Austria | 38 443.0 |
| Azerbaijan | 8 754.6 |
| Turkmenistan | 570.3 |
| Turkey | 17 046.8 |
| Iran | 6 385.7 |
| Russia | 68 728.0 |
| Armenia | 7 722.6 |
| Kazakhstan | 9 522.9 |
| Germany | 1 692 480.8 |
| Japan | 424 305.3 |
| Kuwait | 33 256.4 |
| Kingdom of the Netherlands | 192.1 |
| United States of America | 29 346.7 |
| France | 1 988 058.7 |
| **Other foreign liabilities** | **1 351 000.0** |
| Eurobonds | 1 351 000.0 |
| State-guaranteed loans | **3 310.9** |
| Germany | 3 310.9 |
| **Balance of the government's domestic debt** | **7 146 262.4** |
| One-year annually renewable government bond intended for the National Bank | 120 846.0 |
| Government bonds with various time-limits for open market operations | 152 000.0 |
| Treasury bills of the Ministry of Finance | 382 501.0 |
| Treasury bonds of the Ministry of Finance | 6 449 792.8 |
| Debt in the form of a loan of budgetary organizations | 41 122.6 |
| **Total government debt balance** | **28 538 254.7** |

*Note: exchange rates used in the table are for the given date*