In 2017-2018, Georgia takes 67th position amongst 137 countries. Its ranking score amounts to 4.28 (middle indicator)
GCI – Stages of Development

GCI factor group contains 3 stages of country development. Three main stages of country development contain 3 sub-indexes, that are grouped into 12 pillars of competitiveness.

<table>
<thead>
<tr>
<th>Stages of Development</th>
<th>GDP per capita (US$)</th>
<th>Number of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Stage-Factor-driven</td>
<td>Less than 2000</td>
<td>35 economies</td>
</tr>
<tr>
<td>Transition from Stage 1 to Stage 2</td>
<td>2,000-2,999</td>
<td>15 economies</td>
</tr>
<tr>
<td>II. Stage-Efficiency-driven</td>
<td>3,000-8,999</td>
<td>31 economies (Georgia)</td>
</tr>
<tr>
<td>Transition from Stage 2 to Stage 3</td>
<td>9,000-17,000</td>
<td>20 economies</td>
</tr>
<tr>
<td>III. Stage-Innovation-driven</td>
<td>More than 17,000</td>
<td>36 economies</td>
</tr>
</tbody>
</table>

In 2017-2018 Georgia’s position compared to 2016-17

- Basic requirements – 54th position with the score of 4.8 (decreased by 8 steps)
- Efficiency enhancers – 75th position with the score of 4.1 (decreased by 6 steps)
- Innovation and sophistication factors – 112nd position with the score of 3.2 (improved by 1 step)
Three main stages of country development contain 3 sub-indexes, that are grouped into 12 pillars of competitiveness, which encompass 114 components. Pillars are measured by the scores from 1 to 7.

- from 5.45 to 7 score - very high indicator
- from 4.51 to 5.44 score - high indicator
- from 3.51 to 4.50 score - middle indicator
- from 3.01 to 3.50 score - law indicator
- from 1 to 3 score - very law indicator
I. Factor Driven – Basic Requirements

I. Institutions – 50th position (overall score - 4.2)

- Property rights (4.7)
  - Strength of investor protection (7.7)
  - Reliability of police services (5.2)
  - Organized crime (5.4)
- Irregular payments and bribes (5.4)
- Burden of government regulation (4.7)
- Favori. in decisions of govern. Offic. (4.5)
- Business costs of crime and viol. (5.2)

II. Infrastructure – 69th position (overall score - 4.2)

- Quality of overall infrastructure (3.9)
  - Fixed telephone lines/100 pop. (22.1)
- Quality of roads (3.8)
- Quality of railroad infrastructure (3.8)
- Quality of port infrastructure (3.8)
- Mobile telephone subsct/100 pop. (129.1)
  - Available airline seat km/week, mil. (73.7)
- Quality of electricity supply (5)
- Wastefulness of govern. (3.6)
- Judicial independence (3.6)
- Strength of auditing and repor. standards (3.9)
- Ethical behavior of firms (3.9)
- Business costs of terrorism (5.3)
- Intellectual prop. protection (3.7)
  - Protec. of minority shareholders’ interests (78)
  - Effic. of corporate boards (67)
  - Effic. of auditing and repor. standards (79)
- Effic. of legal framework in regul. (76)
  - Effic. of legal framework in inaug. (95)
  - Effic. of legal framework in financ. (57)
  - Effic. of legal framework in infr. (51)
  - Effic. of legal framework in prop. (73)
  - Effic. of legal framework in intell. (92)
  - Effic. of legal framework in taxing. (87)
I. Factor Driven – Basic Requirements

III. Macroeconomic Environment – 48th position
(overall score - 5.1)

- Government budget balance, % of GDP (-1.6)
- Gross national savings, % of GDP (19.4)
- Inflation, annual % change (2.1)
- Country credit rating (38.5)
- Government debt, % of GDP (44.9)

IV. Health and Primary Education – 69th position
(overall score – 5.8)

- Malaria cases (0.0)
- Business impact of malaria (5.7)
- Tuberculosis cases (99)
- Business impact of tuberculosis (5.4)
- HIV prevalence, % adult pop (0.5)
- Business impact of HIV/AIDS (5.1)
- Primary education…
- Life expectancy (74.8)
- Infant mortality (10.6)
II. Efficiency Driven - Efficiency Enhancers

V. Higher Education and Training – 87th position (overall score – 4)

- Secondary education enrollment, % gross (103.7)
- Tertiary education enrollment (43.4)
- Extent of staff training (3.3)
- Availability of research & training services (3.2)
- Internet access in schools (4.1)
- Quality of the education system (3)
- Quality of math and science education (3.3)
- Quality of management schools (3.6)

VI. Goods Market Efficiency – 50th position (overall score - 4.5)

- Effect of taxation on incentives to invest (4.9)
- Imports as a percentage of GDP (62.7)
- Burden of customs procedures (5.4)
- Business impact of rules on FDI (5.2)
- Trade tariffs, % duty (0.9)
- Total tax rate, % profit (16.4)
- No procedures to start a business (3)
- No days to start a business (3)
- Prevalence of trade barriers (4.9)

- Intensity of local competition (4.8)
- Buyer sophistication (3.2)
- Degree of customer orientation (4)
- Prevalence of foreign ownership (4.5)
- Agricultural policy costs (3.3)
- Effectiveness of anti-monopoly policy (3.2)
- Extent of market dominance (3.7)
II. Efficiency Driven - Efficiency Enhancers

VII. Labor Market Efficiency – 53rd position
(overall score - 4.4)

- Cooperation in labor-employer…
- Women in labor force, ratio to…
- Country capacity to retain talent (3)
- Reliance on professional…
- Pay and productivity (3.6)
- Flexibility of wage determination (5.4)
- Hiring and firing practices (4.4)
- Redundancy costs, weeks of salary…
- Effect of taxation on incentives to…

VIII. Financial Market Development – 63rd position
(overall score – 4.1)

- Financial services meeting business needs (3.9)
- Legal rights index (9)
- Regulation of securities exchanges (3.8)
- Soundness of banks (5)
- Affordability of financial services (3.6)
- Financing through local equity market (2.4)
- Ease of access to loans (4.2)
- Venture capital availability (2.7)
II. Efficiency Driven - Efficiency Enhancers

IX. Technological Readiness – 70th position
(overall score - 4.3)

- Availability of latest technologies (4)
- Firm-level technology absorption (4)
- FDI and technology transfer (4)
- Mobile broadband subscriptions /100 pop (57.7)
- Int’l internet bandwidth, kb/s per user (92.1)
- Fixed broadband internet subscriptions /100 pop (15.8)
- Individuals using internet,% (50)

X. Market Size – 100th position
(overall score – 3.1)

- Exports as a percentage of GDP (37.9)
- Foreign market size index (3.8)
- GDP (PPP$billions) (37.2)
- Domestic market size index (2.9)
III. Innovation Driven - Innovation & Sophistication Factors

XI. Business Sophistication – 99th position
(overall score - 3.7)

- Local supplier quantity (3.6)
- Local supplier quality (3.7)
- Willingness to delegate authority (3.9)
- Extent of marketing (4.2)
- Production process sophistication (3.5)
- Control of international distribution (3.4)
- Value chain breadth (3.8)
- State of cluster development (2.9)
- Nature of competitive advantage (3.8)
- Capacity for innovation (3.7)

XII. R&D Innovation – 118th position
(overall score - 2.8)

- PCT patents, applications/mln. pop (1)
- Gov’t procurement of advanced tech products (3.2)
- Availability of scientists and engineers (3)
- University-industry collaboration in R&D (2.8)
- Quality of scientific research institutions (2.7)
- Company spending on R&D (2.7)
The Most Problematic Factors for Doing Business

- Inadequately educated workforce: 17.3%
- Access to financing: 12.0%
- Inflation: 11.0%
- Poor work ethic in national labor force: 9.7%
- Insufficient capacity to innovate: 9.7%
- Inefficient government bureaucracy: 9.2%
- Inadequate supply of infrastructure: 7.3%
- Policy insability: 6.5%
- Government instability/coups: 6.2%
- Tax rates: 3.8%
- Tax regulations: 1.8%
- Foreign currency regulations: 1.8%
- Corruption: 1.7%
- Poor public health: 1.3%
- Restrictive labor regulations: 0.8%
- Crime and theft: 0.0%
What is Global Competitiveness Index (GCI)

- **GCI** is defined by the World Economic Forum. It is a set of institutions, policies, and factors that determine the level of productivity of a country, conditions of public institutions and technical conditions.

Data used in GCI

- Rating uses public accessible (statistic) datas (WB, IMF, etc.) and results of findings made by World Economic Forum. These findings are made annually with the support of partner institutions (research institutions and business centers).

What GCI Report contains

- **GCI** analysis the factors that play significant role in creating favorable business-climate environment in the country and are important for competitiveness and manufacture point of view.
- It considers strength and weaknesses of a country, identifies priorities for the facilitation of political reforms implementation.

How many countries GCI Report encompass

- The report 2017-2018 encompasses 137 countries.