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CREATING OPPORTUNITIES

IT sector in Georgia

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KEY FINDINGS

ICT, driven by IT services, has emerged as a key engine of Georgia's economic growth. The sector has been the fastest-growing part of the economy since 2022, and is now the 4th-largest, accounting for 8.2% of nominal GDP in 9M25.

The sector is highly export-oriented, supporting Georgia's services trade. ICT exports reached US$ 842mn in 2024 (10.9% of total services exports) and rose 52.3% y/y to US$ 898mn in 9M25 (14.0% of total).

IT sector turnover reached GEL 4.5bn in 9M25, more than doubling y/y (+2.1x), driven by a strong rebound in exports. This contrasts with 2024, when IT service exports declined by 9.2% y/y due to weaker performance by several large international providers. Nevertheless, robust growth among smaller international and local companies supported overall turnover growth of 48.8% y/y in 2024.

International companies are the main drivers of IT sector growth and exports, supported by tax incentives. Since 2020, Georgia's IT sector has evolved from a small, domestically focused industry into a strong base for international companies, following the introduction of tax incentives. Growth accelerated in 2022 with the relocation of international IT companies and specialists amid geopolitical shifts.

International firms and talent have doubled salary levels in the IT sector over 2020-24, strengthening IT's appeal as a career path. High wages and strong international career opportunities have fueled a sharp increase in student demand for IT education, with over 12,000 students currently enrolled across 21 universities.

Despite the growing supply of IT graduates, local labor-market demand has weakened, reflecting AI-driven productivity gains, among other factors. Yet Georgian IT talent has expanded internationally, with the number of Georgia-based developers on GitHub rising 22% y/y to 138.3k in 2024, highlighting participation in international projects and visibility to global employers.

With IT going global and Georgian talent engaging internationally, adapting to global trends is crucial, particularly through workforce specialization and upskilling. As AI automates routine tasks, demand is shifting toward senior, specialized, and AI-adjacent roles. According to the World Economic Forum, by 2030 work is expected to be evenly split between human, technological, and hybrid execution models, making continuous upskilling a critical factor for competitiveness. For Georgia, aligning workforce development with these trends represents a major opportunity to further expand ICT exports and move up the value chain.

Beyond tax incentives, Georgia's competitiveness as an IT destination is supported by low internet costs, affordable living, and a favorable living environment. While fixed broadband infrastructure still lags regional peers, mobile internet speed increased sharply (4x y/y) in 2025, underscoring the country's capacity for rapid technological catch-up.

Overall, sustaining IT sector growth will require deeper workforce specialization, accelerated upskilling, and continued infrastructure improvements to boost ICT exports and drive long-term economic transformation.

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IT sector in Georgia

What is the role of ICT in Georgia's economy?

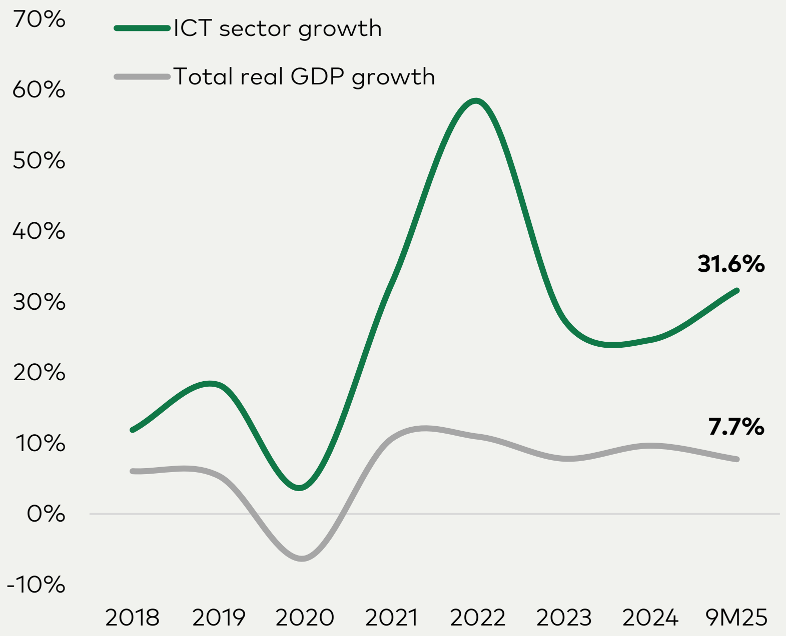
What drives IT sector growth?

What global IT trends are reshaping the sector?

What could be Georgia's strategic response?

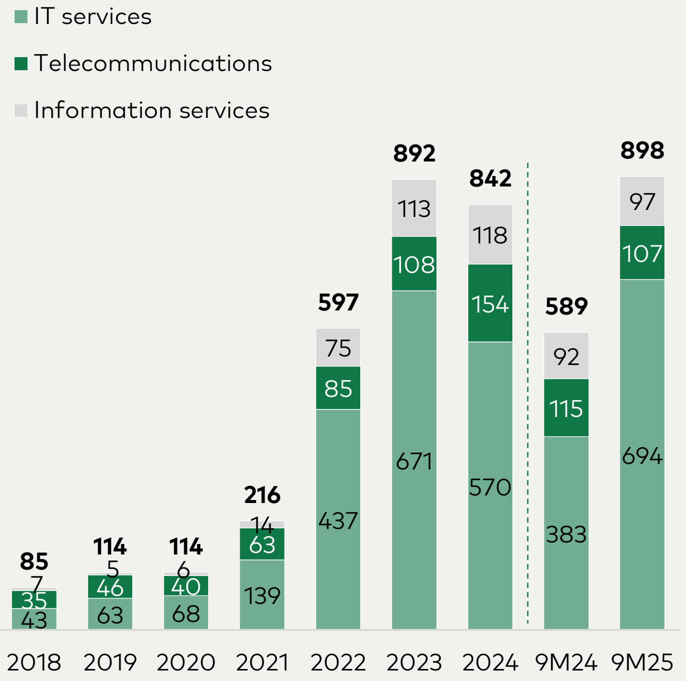
ICT, powered by IT services, has become a major driver of Georgia's economic growth in recent years

Georgia's real GDP growth and ICT sector real growth



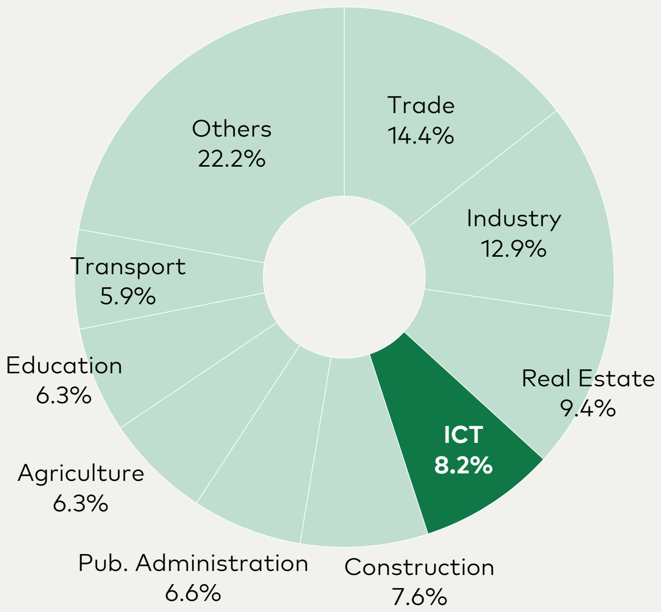
ICT has remained the economy's fastest-growing sector since 2022, recording 31.6% y/y growth in 9M25.

ICT sector export, US$ mn



The sector is export-oriented, strengthening Georgia's services exports. ICT exports reached US$ 842mn in 2024 (10.9% of total services exports) and grew 52.3% y/y to US$ 898mn in 9M25 (14.0% of total).

Economy by sectors, 9M25

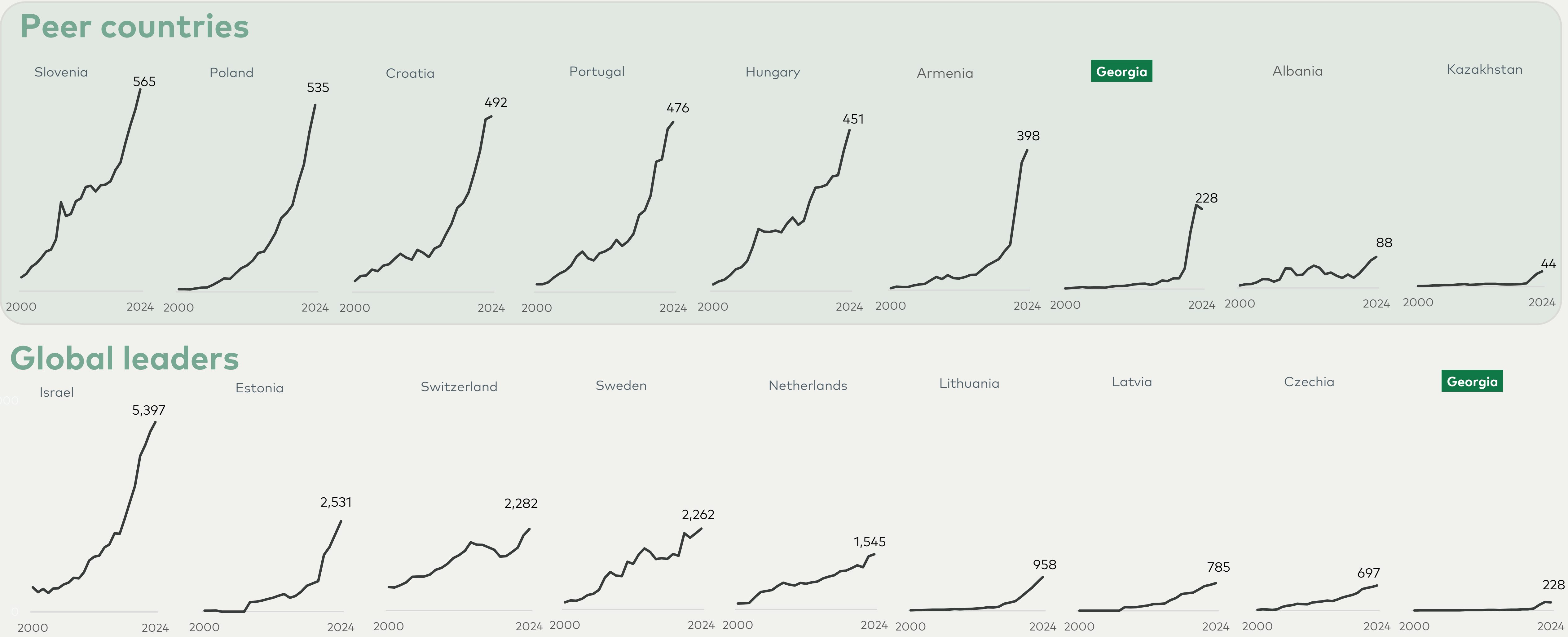


ICT became the fourth-largest sector in Georgia's economy, accounting for 8.2% of total nominal GDP in 9M25.

Source: Geostat, NBG

The export potential of ICT services remains largely untapped

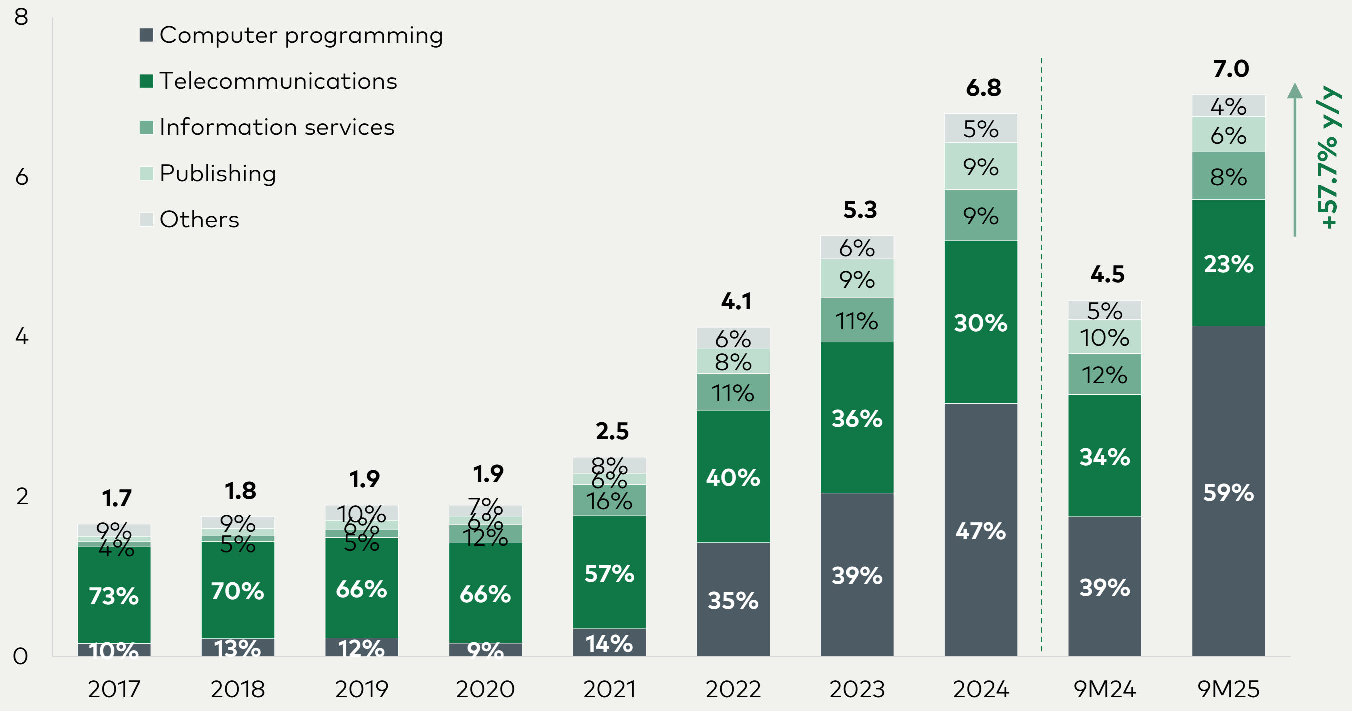
ICT services export per capita - comparison with regional countries and global leaders, US$



Source: World Bank, Galt & Taggart

Computer programming sub-sector continues to be the key engine of ICT growth

ICT sector revenue breakdown by sub-sectors, GEL bn



In recent years, ICT sector growth has been primarily driven by the computer programming sub-sector, while other segments have also contributed positively. Total ICT turnover reached GEL 6.8bn (+29.0% y/y) in 2024 and increased further to GEL 7.0bn in 9M25 (+57.7% y/y)

- **Computer programming** has become the dominant segment, accounting for 47% of the total ICT revenue in 2024 and rising to 59% in 9M25, reflecting its position as the fastest-growing sub-sector.
- **Telecommunications** traditionally the biggest segment, represented 30% of sector revenue in 2024, declining to 23% in 9M25.
- **Information services** accounted for 8% of ICT revenue in 9M25. Although a smaller segment, it has been among the fastest-growing in recent years and remains an important contributor to sector diversification.
- **Publishing**, including software and book publishing, represented 6% of total ICT turnover in 9M25, continuing to demonstrate steady long-term growth.

Source: Geostat

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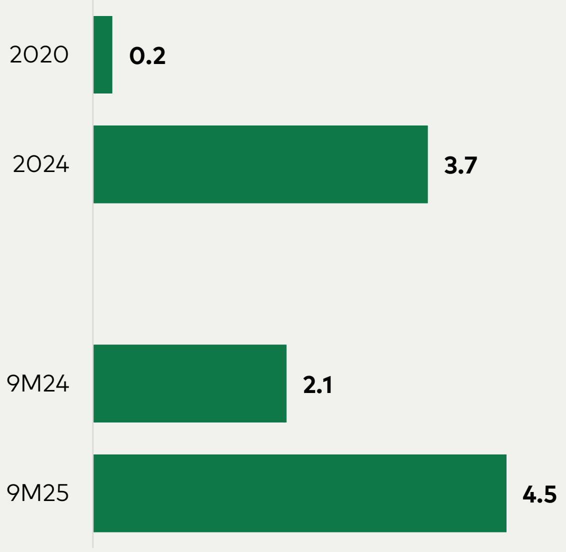
IT sector in Georgia

- Sector revenue & export performance
- Role of international companies
- Average salaries
- Graduate supply & labor market assessment
- Global IT trends & strategic implications
- Tax & regulatory environment
- Georgia in international rankings, strengths & challenges
- Sector potential
- Annexes

IT sector dynamics

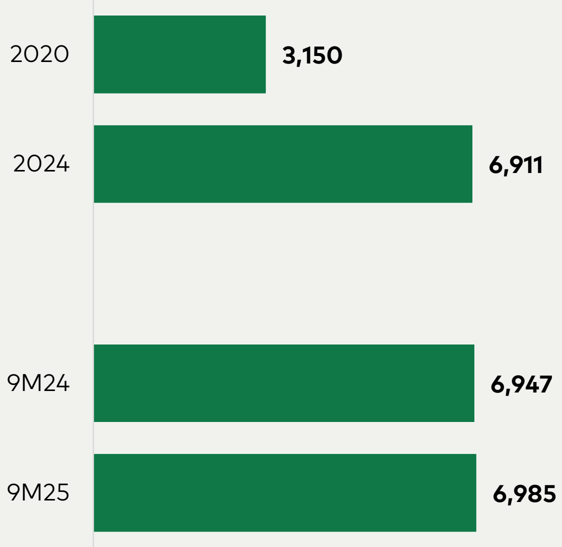
Sector turnover
GEL bn



2.1x y/y in 9M25

IT sector revenue has surged since 2020, reaching GEL 3.7bn in 2024 and remaining on a strong growth trajectory in 9M25.

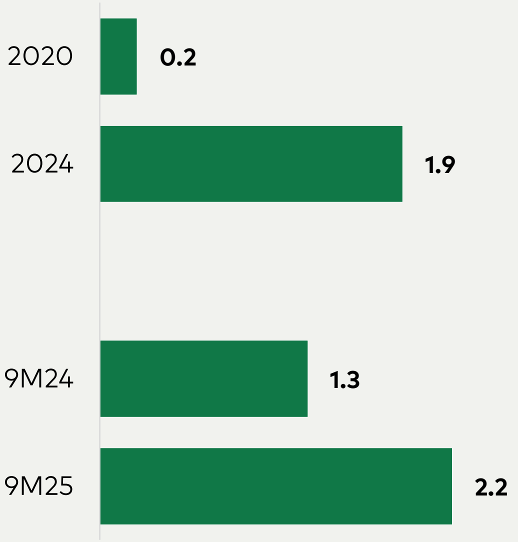
Average salary
GEL



+0.5% y/y in 9M25

The average salaries in the sector more than doubled since 2020 and remained competitive in 9M25.

IT services exports
GEL bn



1.7x y/y in 9M25

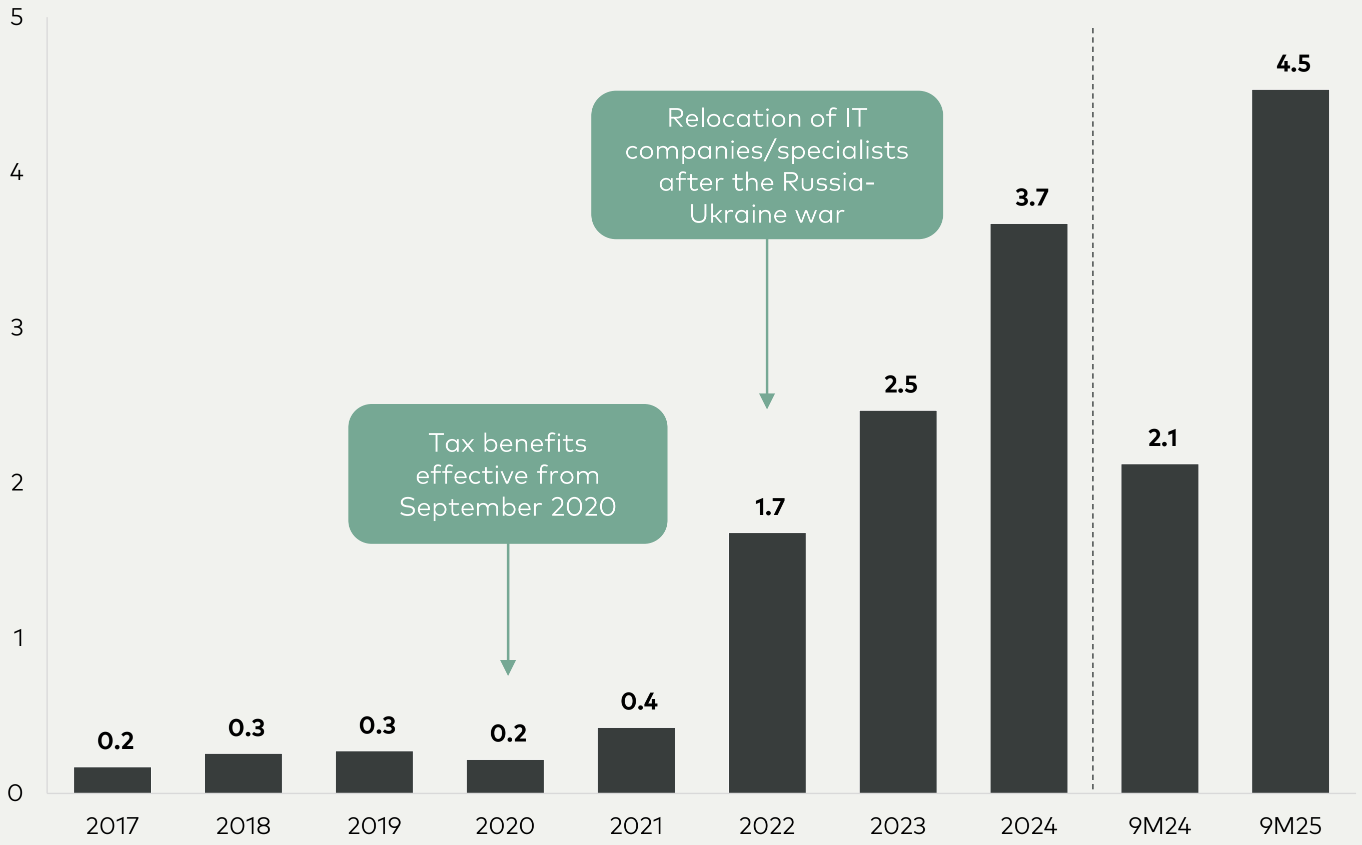
IT sector revenue growth was largely driven by exports, which, after contracting y/y in 2024, surged in 9M25.

Source: Geostat, NBG, Galt & Taggart

Note: In the IT sector, we combine the activities of computer programming (NACE 62) and software publishing (NACE 58.2), and in exports we include the export of computer and information services

IT sector revenue growth remained strong in 2025, continuing post-2020 momentum

IT sector revenues in Georgia, GEL bn



Georgia's IT sector transformed from a small domestic industry into an export-oriented growth engine after the 2020 tax incentives and the expansion of cross-border delivery. Growth accelerated in 2022 following the relocation of international companies and IT specialists.

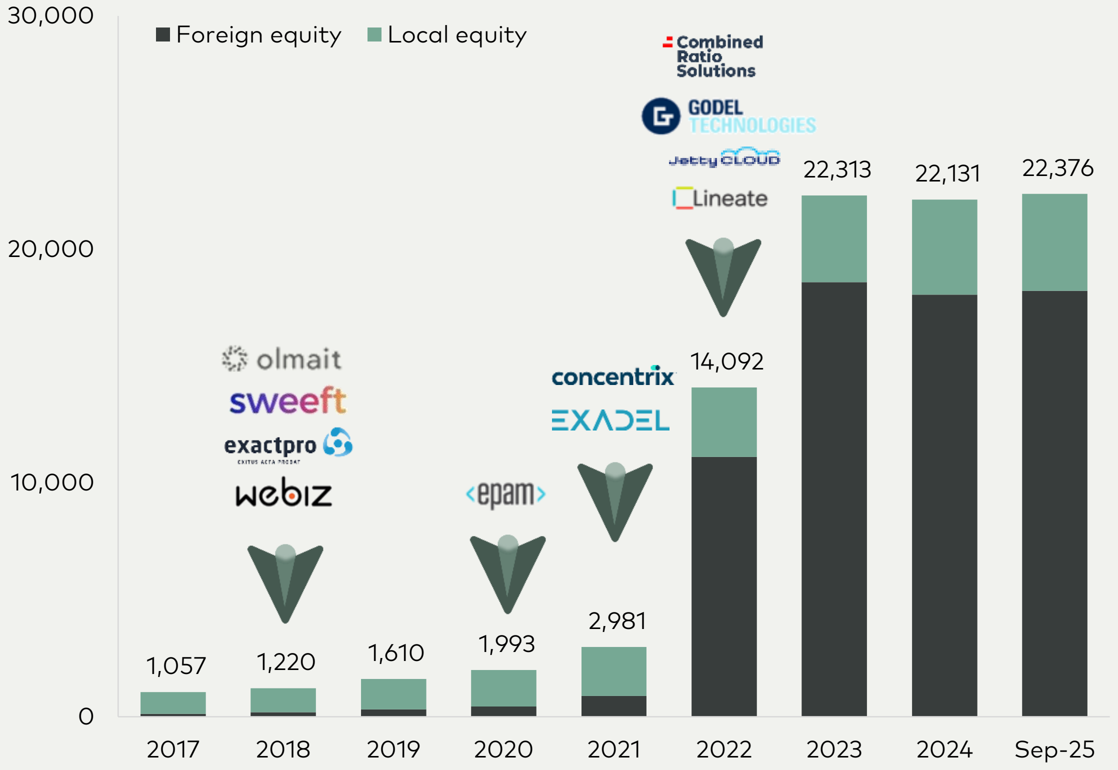
In 2024, sector revenues grew 48.8% y/y to GEL 3.7bn, sustaining the strong post-2020 trajectory. Although exports declined due to weaker performance of several large international providers, rising turnover among smaller international and local companies kept overall sector growth positive in 2024.

In 9M25, exports rebounded sharply, lifting sector turnover 2.1x y/y to GEL 4.5bn.

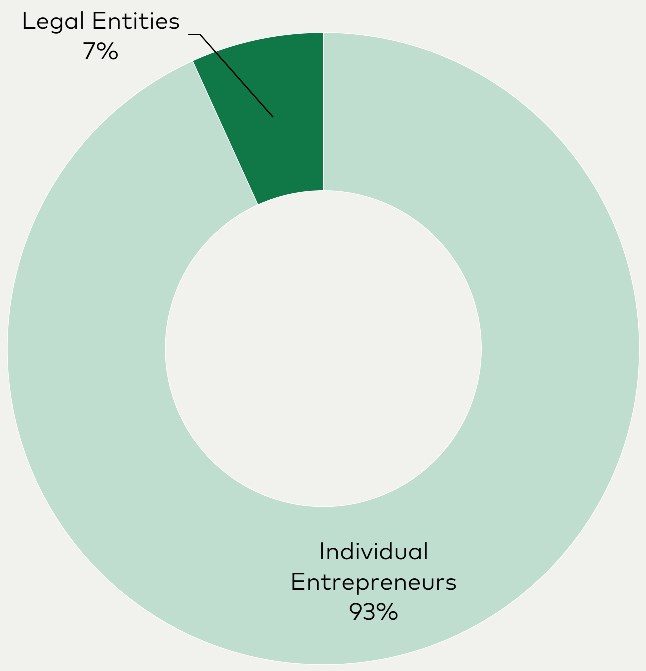
Source: Geostat, Galt & Taggart

IT sector growth was driven by international companies and specialists relocating to Georgia, thanks to the tax incentives and geopolitical factors

Number of IT service providers (companies and individuals) operating in Georgia by ownership



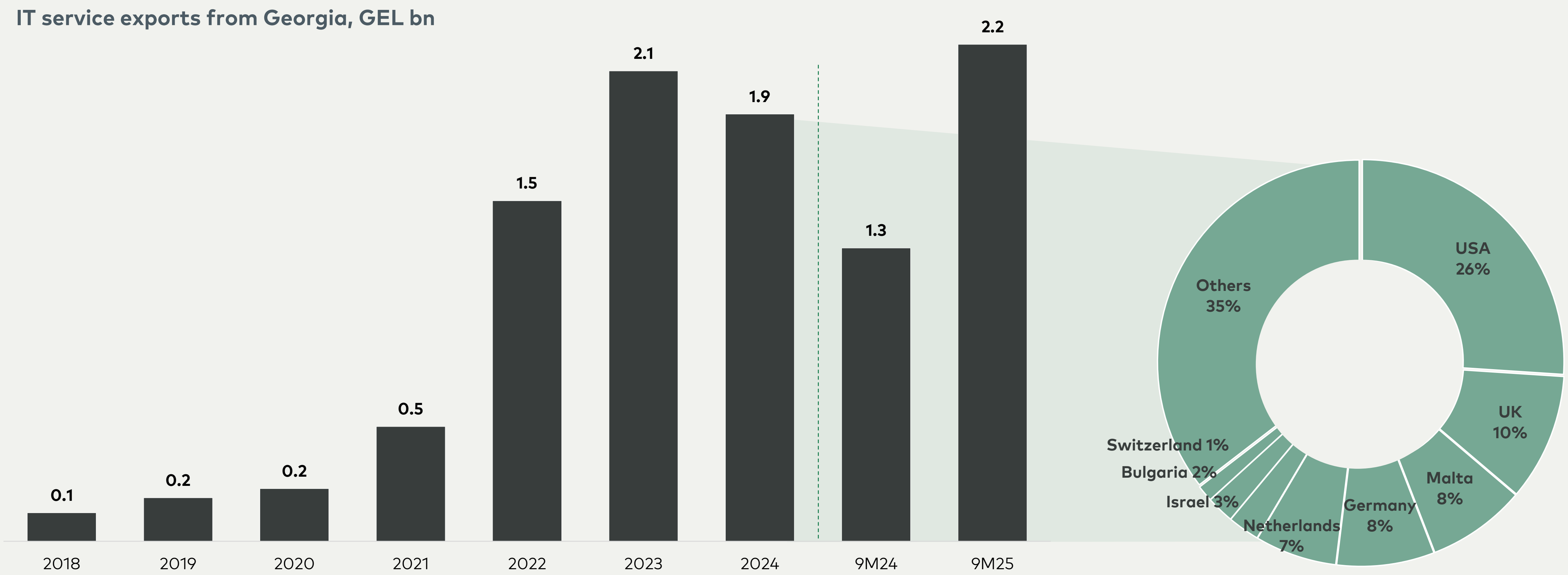
Distribution of IT service providers by legal status, Sep-2025



Although international IT companies had been entering Georgia since 2018, tax incentives accelerated growth, attracting EPAM, one of the world's largest IT services providers in 2020, as a key turning point. Several other international firms (including Exadel, Concentrix, Lineate, JettyCloud, Godel Technologies, and Combined Ratio Solutions) followed, particularly after the Russia-Ukraine war. Since 2022, growth in IT service providers was mainly driven by relocating individual IT professionals, who accounted for 93% of IT service providers in Georgia as of 2025.

Source: Geostat, Galt & Taggart

International companies fueled growth in IT service exports, despite a moderate contraction in 2024

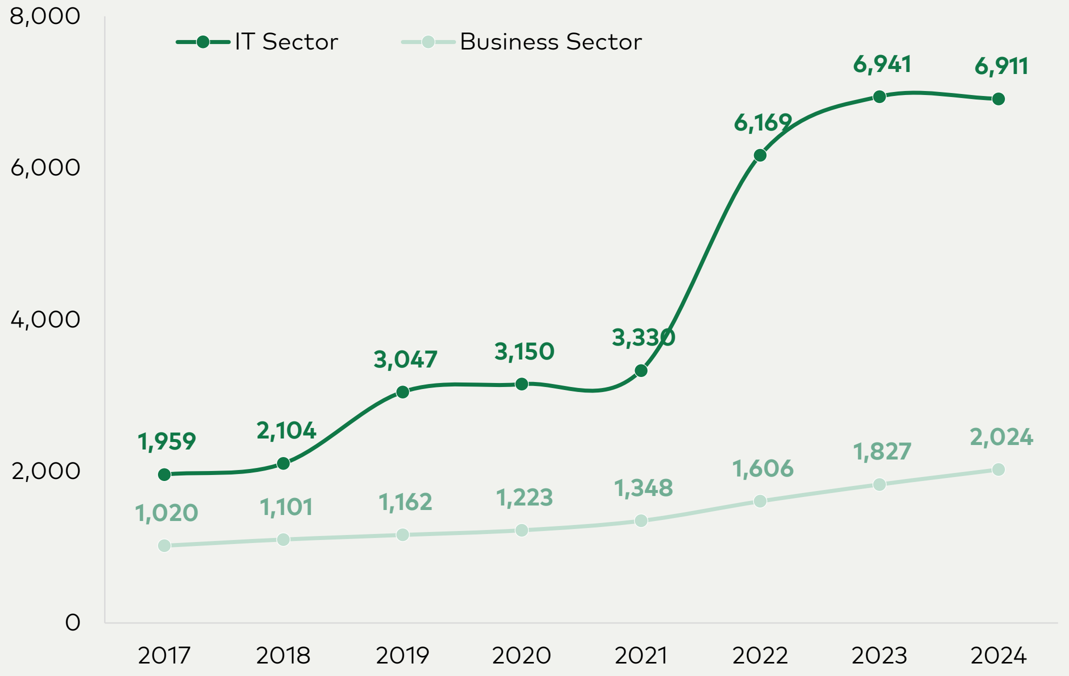


International companies have been driving growth in Georgia's IT service exports in recent years. In 2024, exports declined by 9.2% y/y to GEL 1.9bn due to lower revenues among large global providers, including EPAM, Exadel, JettyCloud, and ExactPro. In 9M25, exports rebounded sharply to GEL 2.2bn, up 69.3% y/y, signaling a recovery in external demand following the weak 2024 base.

Source: Geostat, NBG

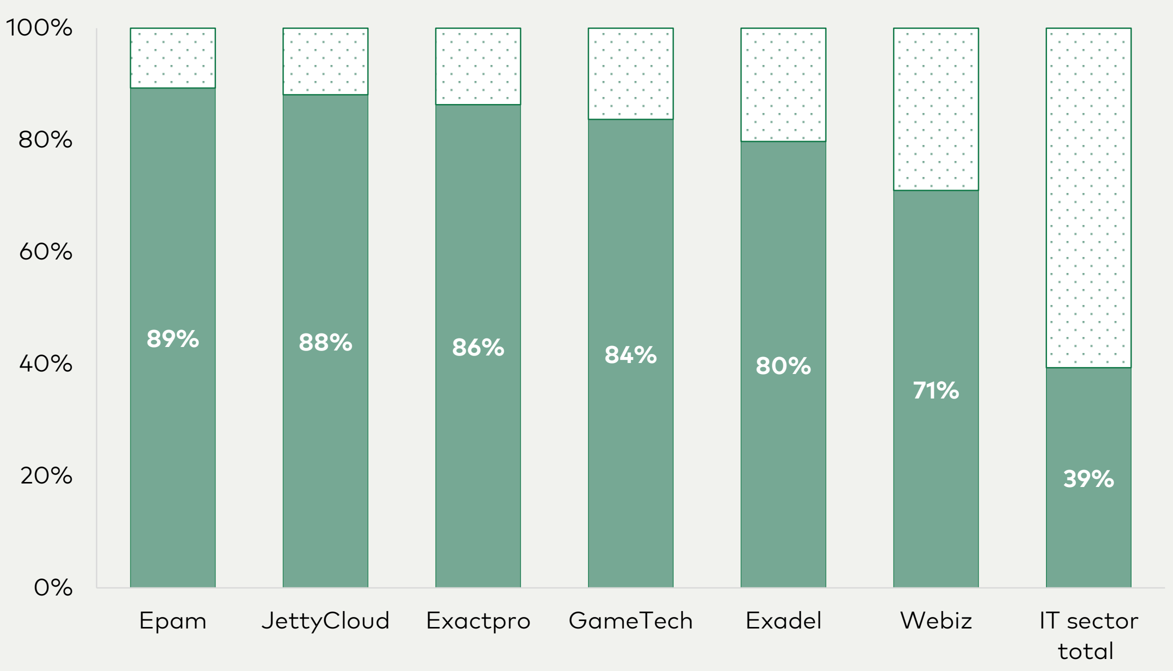
International firms and talent have pushed up average salaries in the sector

Average salary in IT sector and business sector, GEL



While IT sector salaries have historically been about twice the business sector average, the entry of international IT firms and professionals has further widened the gap, lifting IT wages to 3.4x the business sector average in 2024.

Labor cost-to-revenue ratio in Georgia's IT sector, 2024



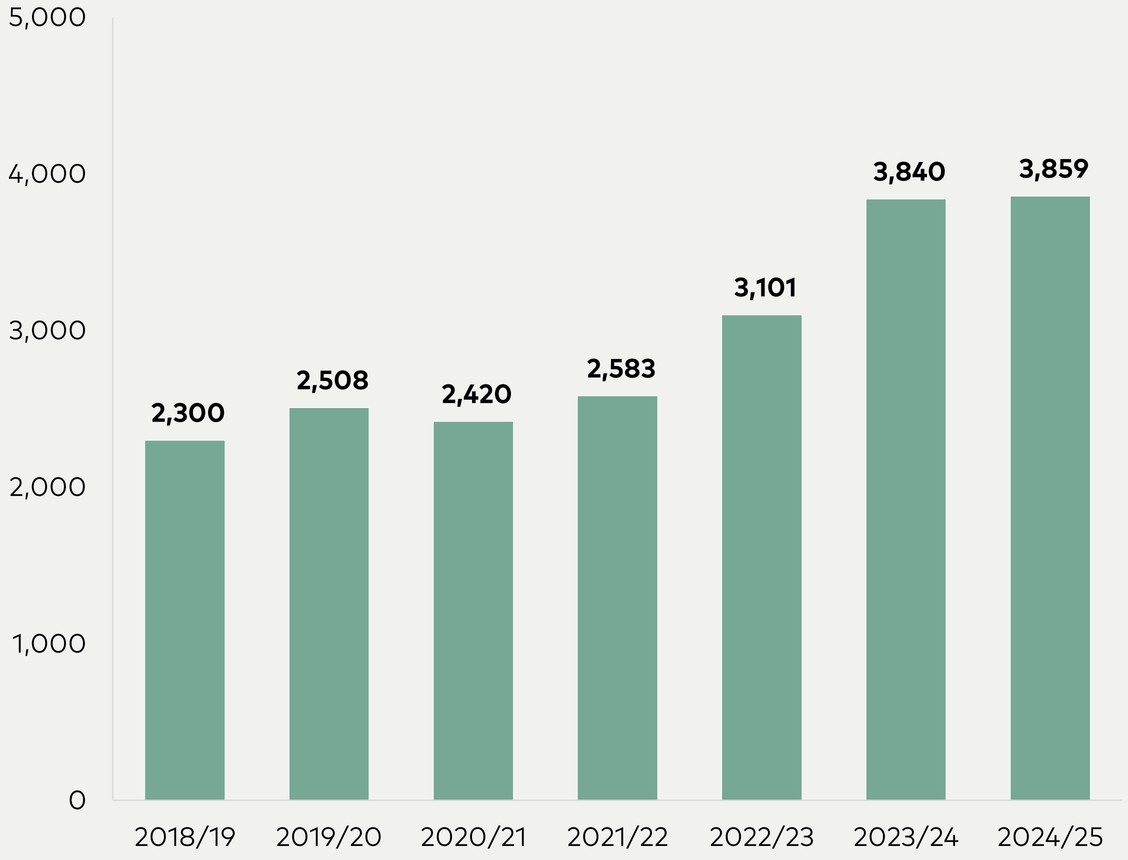
In 2024, labor costs accounted for 70-90% of revenues among international IT companies operating in Georgia, compared to 39% for the IT sector on average. While this gap is partly driven by higher wage levels in international IT firms, it also reflects the higher operational burden faced by local IT companies - such as the absence of tax exemptions available to international firms, limited economies of scale, and lower competitiveness - which restricts their capacity to offer comparable salaries.

Source: Geostat, SARAS, Galt & Taggart

Note: Average salary figures have been slightly revised compared to the previous IT public report following data clarifications.

High salaries, along with the growing popularity of IT, have encouraged many students to enroll in computer programming

Student enrollment in computer programming by academic year



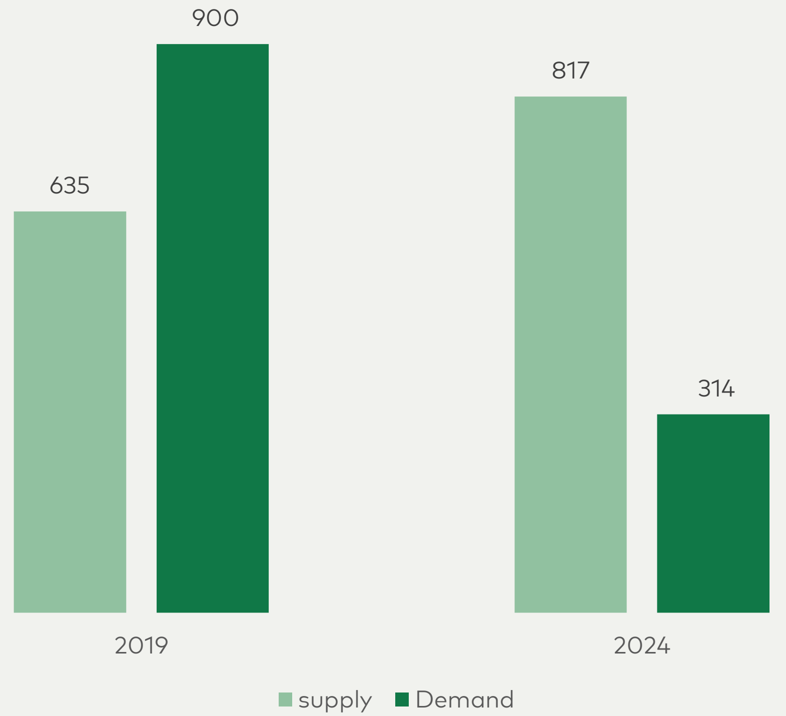
- High salaries and attractive career prospects in IT have made computer programming a popular career choice. Additionally, programming skills open access to international remote jobs and freelance opportunities, further enhancing the field's appeal.
- On average, 2,500 students applied to computer programming annually over 2018–2021, increasing to an average of 3,600 over 2022–2025.
- As of the 2024/25 academic year, 12,121 students are enrolled in computer programming, which are offered at 21 universities across Georgia.

Source: Geostat

Note: Enrollments include bachelors, masters, and professional programs

IT graduate supply has increased, while local labor-market demand has declined

Supply of higher-education graduates vs. IT labor market demand on major HR platforms in Georgia



The supply of higher-education IT graduates increased from 635 in 2019 to 817 in 2024, while job demand on major HR platforms (HR.ge, Jobs.ge) declined sharply from 900 to 314 over the same period. This divergence can be attributed to the following factors:

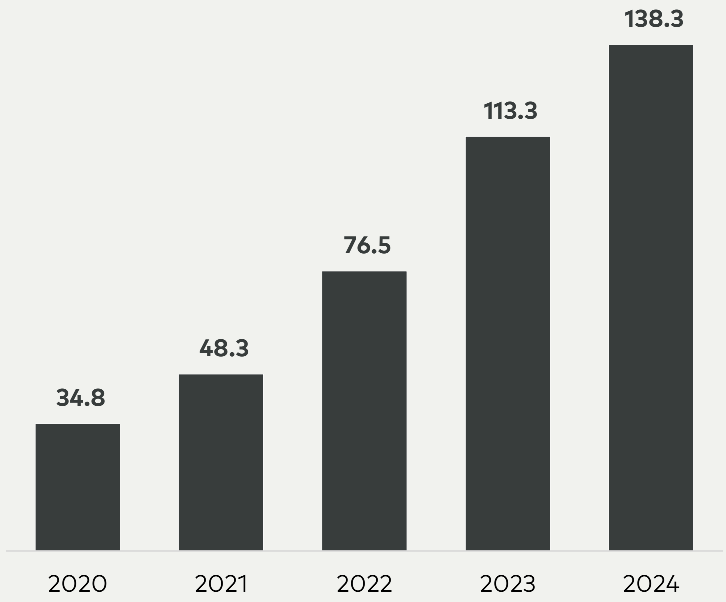
- **Productivity gains from AI adoption:** AI adoption and automation have reduced entry-level labor demand, allowing companies to achieve similar output with smaller teams.
- **Globalization of hiring:** IT employers increasingly recruit talent globally, shifting demand away from local platforms toward international and professional networks.
- **Skill/experience mismatch:** Many graduates enter the market with theoretical IT skills, while employers increasingly demand specialized, job-ready competencies (e.g., cloud, AI/ML, cybersecurity, DevOps).
- **Evolution of employment models:** More freelance/contract-based work lowered the number of traditional full-time job postings. Besides, companies rely more on internal referrals, internships, university partnerships to fill roles, bypassing public job postings.

Source: Hr.ge, Jobs.ge, GeoStat, Galt & Taggart

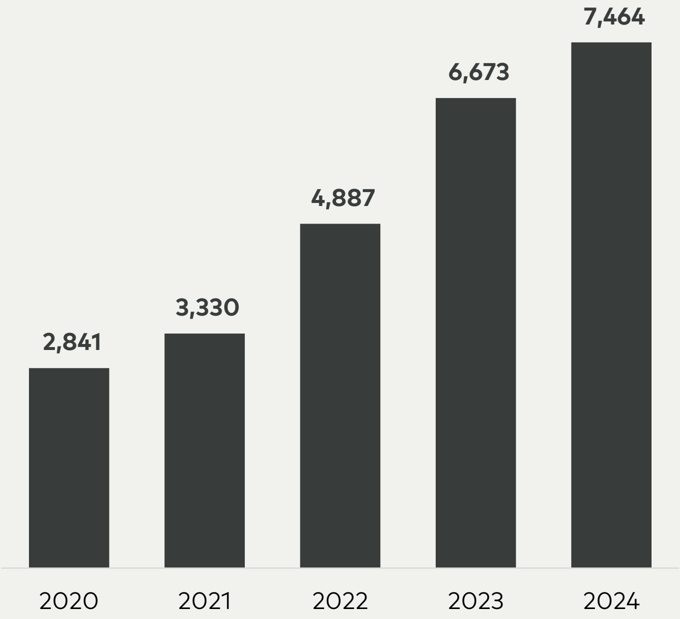
Supply refers to IT bachelor graduates in 2024, while demand refers to all IT-related job postings on HR.ge and Jobs.ge.

Despite a mismatch in the local labor market, Georgian IT talent is increasingly integrating into global developer ecosystems, as reflected in the growing number of Georgia-based developers on GitHub

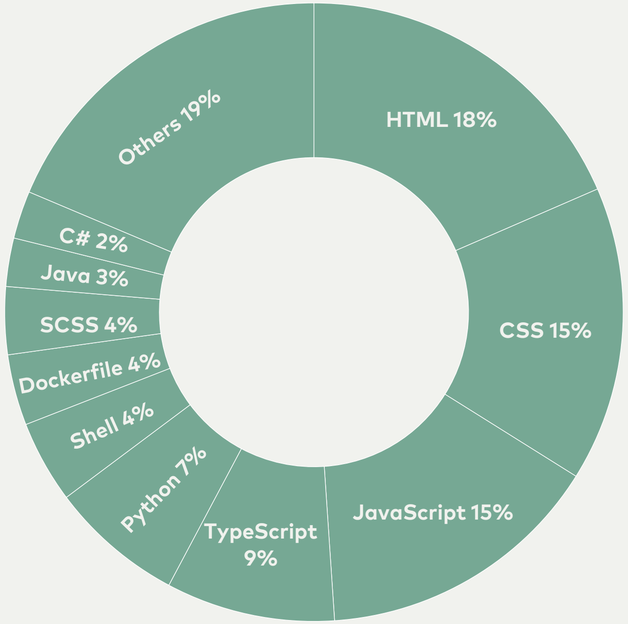
Number of developers on GitHub from Georgia, '000



Number of organizations on GitHub from Georgia



Distribution of developers on GiHub from Georgia by programming language , 2024



In 2024, the number of developers on GitHub from Georgia rose 22% y/y to 138.3k, while the number of organizations increased 12% y/y to 7,464. Part of this growth may reflect migrants arriving in Georgia after the Russia-Ukraine war, but much of the post-war growth is likely driven by local Georgian developers. While GitHub does not directly indicate employment abroad, it reflects participation in global projects and engagement with international employers.

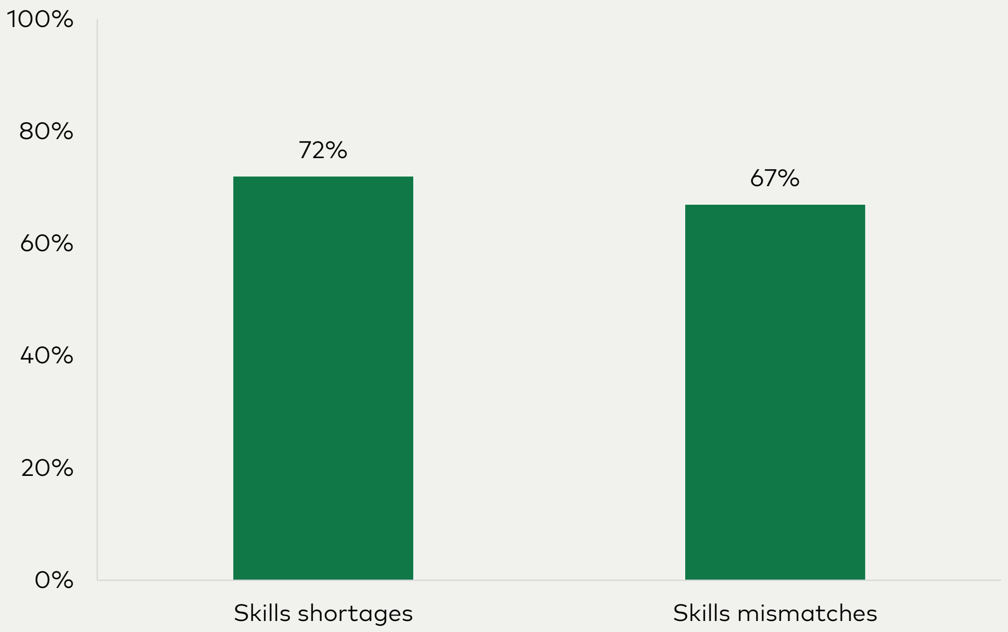
Georgia's 2024 GitHub language mix is dominated by front-end technologies: HTML, CSS, and JavaScript, while Python, TypeScript, and other backend languages hold smaller, more fragmented shares.

Source: Github (a platform for developer collaboration)

Note: The distribution of developers by programming language refers to the distribution of unique developers who wrote the code of the corresponding programming language at least once during the reporting period

With IT going global and Georgian talent engaging internationally, adapting to global trends becomes crucial, particularly through workforce specialization and upskilling

Share of respondents identifying skills shortages and mismatches as a challenge in global IT labor markets (%)

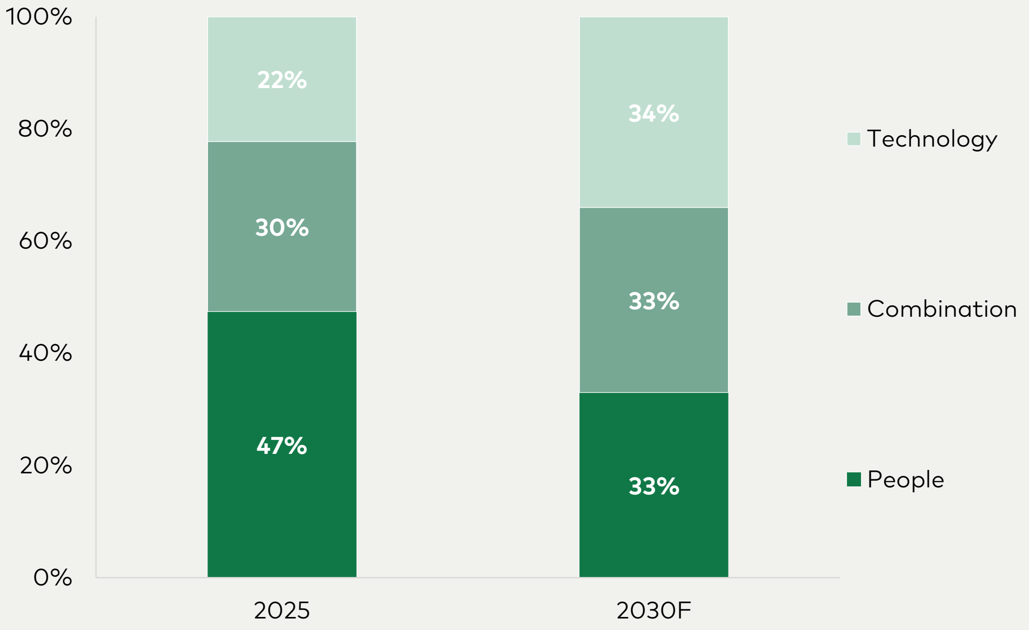


According to CompTIA's survey of 1,109 HR professionals globally, IT labor markets face skill gaps both among job seekers and current employees. As AI automates routine coding tasks, the demand shifts toward senior, specialized, and AI-adjacent roles, raising entry barriers for juniors.

Source: Computing Technology Industry Association (CompTIA)

Note: Skill shortage - not enough qualified candidates for available jobs. Skill mismatch - employees' skills do not align with their job requirements.

Share of work by humans, technology, and combination - Today vs. 2030, World Economic Forum Survey



According to the World Economic Forum Survey of 1,043 global company executives, currently 47% of tasks are performed by humans, 22% by technology, and 30% by a combination. By 2030, work is expected to be evenly split, highlighting that workforce specialization and upskilling will be a more critical lever for IT sector development than merely expanding the number of entrants.

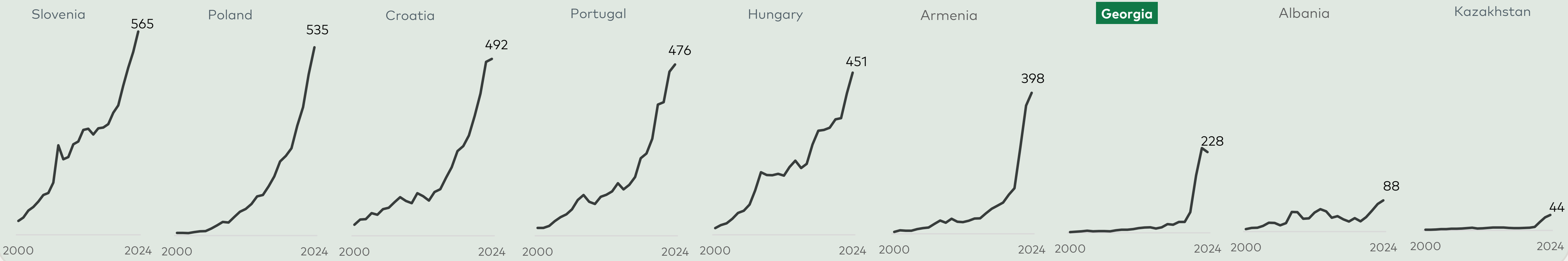
Source: World Economic Forum, Future of Jobs Survey, 2024

Note: Based on 1,043 responses from global companies representing 14.1mn employees across 22 industries and 55 economies (88% of global GDP).

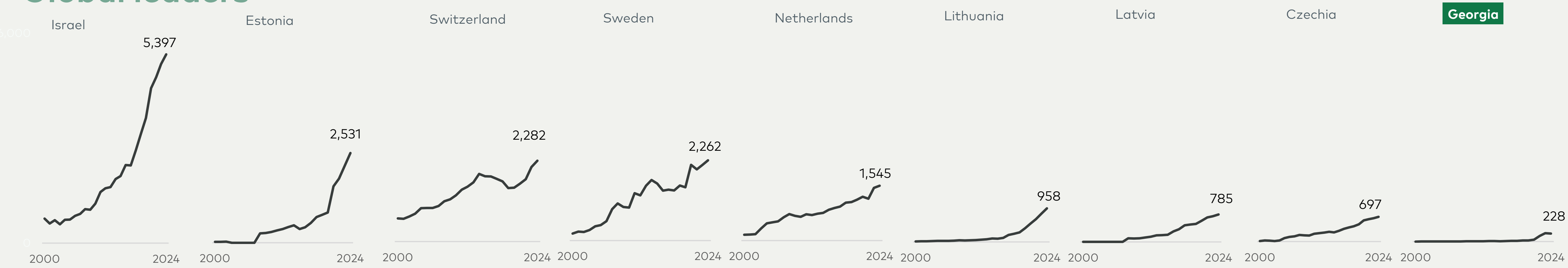
By developing a specialized, highly skilled IT workforce aligned with global demand, Georgia has significant potential to further expand its ICT exports

ICT services export per capita - comparison with regional countries and global leaders, US$

Peer countries



Global leaders



Source: World Bank, Galt & Taggart

Georgia offers one of the most tax-friendly environments globally for IT companies and talent, combining relief on profit, payroll, dividends, and property

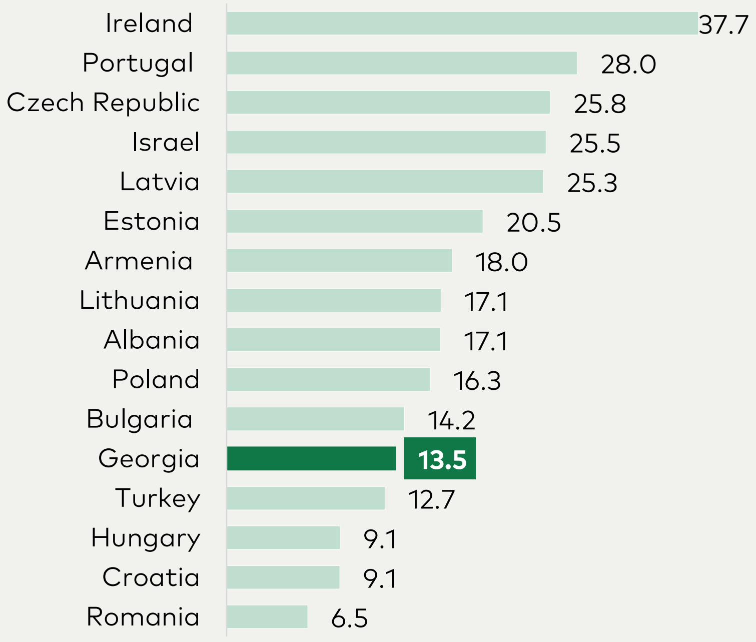
Country / Regime	Corporate income tax (basis varies by country)	Personal income tax (employees)	Property tax	Dividend tax / WHT
Georgia - International Company Status (ICS)	5% (only on distributed profit; retained earnings untaxed)	5% (plus 2%+2% pension contributions)	0% (except land, if used for ICS activities)	0%
Estonia	22% of gross distributions in 2025 (proposed 24% in 2026); no tax on retained earnings	22%	Land tax only (no tax on buildings)	0%
Bulgaria	10% (standard accrual)	10%	0.01%–0.45% of tax value (municipal)	5% (0% within EU exemptions)
Ireland	12.5% on trading profits (15% for large Multinational Enterprises)	20-40% depending on income level	Local commercial rates (differs by county/city council area)	25% (exemptions/treaties apply)
Lithuania	16% (reduced 6% rate applicable to small companies)	Progressive 20%-32%	0.5%-3% (municipal real estate tax)	15%
Portugal - International Business Centre of Madeira (IBC)	5% on qualifying income (subject to caps and substance requirements)	Progressive ~13.25%–48%	0.3%–0.45% urban; 0.8% rural (significant reductions apply under IBC)	0% (for qualifying non-resident shareholders)
Armenia	18% (standard accrual), 1% turnover tax for tech start-ups	20%	~0.05%-1.5% (municipal)	5% (treaty reductions may apply)

Source: Tax Code of Georgia, Riigi Teataja (Estonia); Invest in Estonia; Bulgarian Ministry of Finance; Irish Revenue; Lithuanian Ministry of Finance; Portuguese Tax Authority / Madeira IBC; Armenian State Revenue Committee; PwC, KPMG, EY global tax guides.

Note: Tax rates and rules are subject to change and may vary based on specific conditions, qualifying activities, and applicable treaties. Information provided is indicative and should be verified with current local tax legislation or professional advisors.

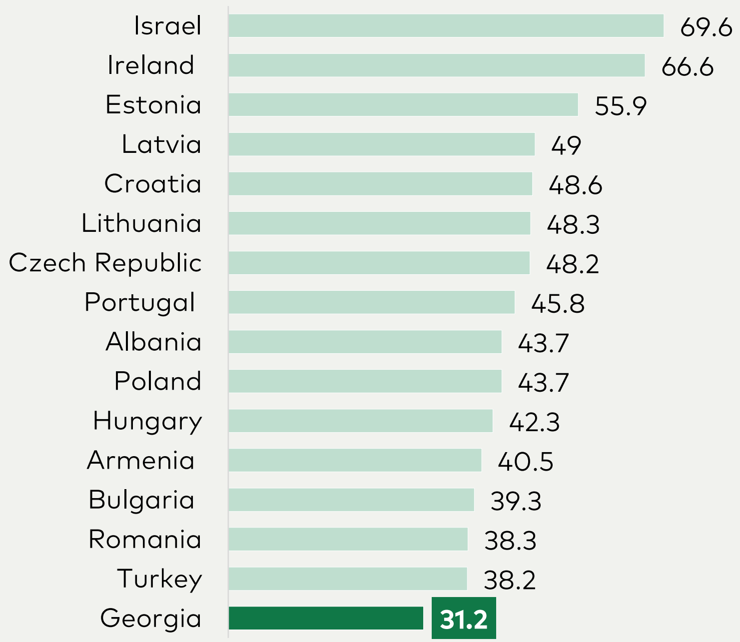
Additionally, Georgia's affordable connectivity, low living costs, and favorable climate further enhance its appeal to IT companies and tech talent

Fixed Internet package price, 2024 US$



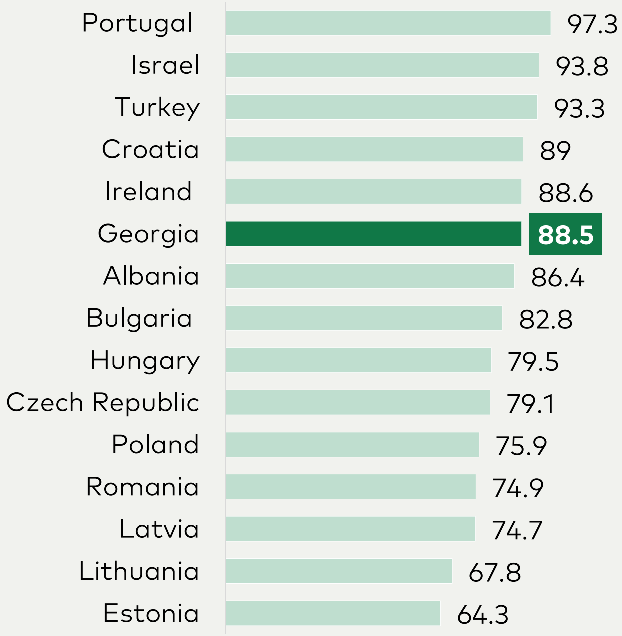
With one of the lowest internet prices in the region, Georgia offers a notable cost advantage for both households and businesses.

Cost of Living Index, 2024



Georgia's overall cost of living remains substantially below most comparable countries, making it an affordable location.

Climate Index, 2024



Supported by a strong climate score, Georgia offers a comfortable and attractive living environment for skilled professionals.

Source: ITU, Numbeo

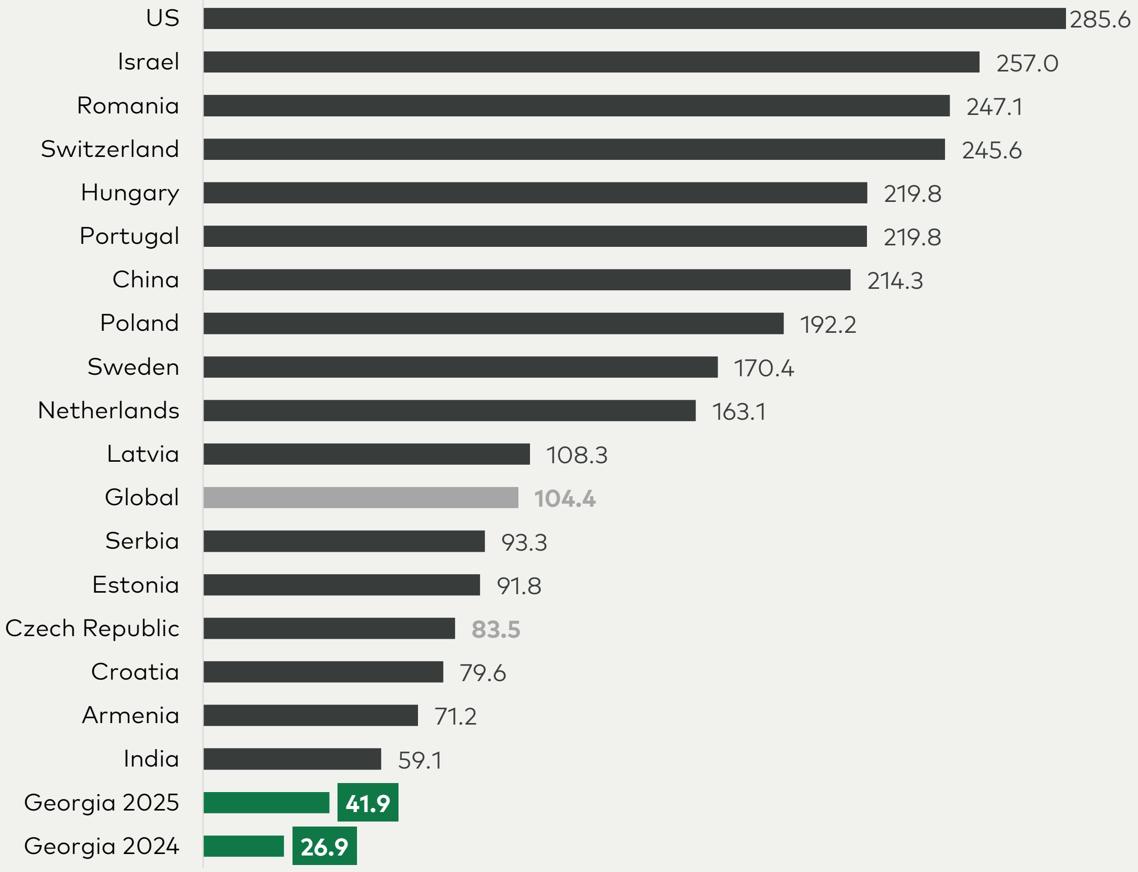
Note: Cost of living does not include rent.

Climate Index estimates the overall climate desirability of a city or country.

Despite Georgia's strengths, fixed internet connectivity remains below regional peers, representing an area for improvement for IT companies

Mobile internet speed, Mbps 2025

Fixed internet speed, Mbps 2025



In 2025, Georgia's mobile internet speed nearly quadrupled, propelling Georgia from below average in 2024 to one of the world's fastest mobile markets in just a year, close to advanced markets like Estonia and Portugal. In contrast, fixed internet still lags regional peers and remains a challenge for IT companies, but the strong momentum in mobile connectivity shows the sector's capacity for rapid catch-up, suggesting fixed-line upgrades could follow a similar trajectory.

Source: Speedtest.net

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Annexes

ANNEX 1: Tax and other benefits

	Rates for Int'l IT companies	Standard rates	
Corporate income tax on distributed profit	5%	15%	applied only upon profit distribution, in line with Georgia's Estonian-style tax regime
Personal income tax	5%	20%	for individuals employed under the international company
Property Tax	0%	1%	on property (with the exception of land tax) used for authorized business activities of international companies
Dividend tax	0%	5%	Dividends distributed by an international company are exempt from withholding tax and are not included in the recipient's gross income

Eligibility Criteria for Granting International Company Status to a Georgian Enterprise

The Georgian enterprise must have engaged in the relevant permitted activity for a minimum period of two years prior to the application. The applying company must have min. 98% of its annual revenue derived from activities within the IT sector and from abroad.

A Georgian enterprise established as a representative of a non-resident company may qualify, provided that the non-resident parent company has at least two years of proven experience in the same permitted activity for which the status is being sought.

International Company Status may also be granted where more than 50% of the Georgian enterprise is owned by one or more partner companies. Each such partner company must independently demonstrate no less than 2 years of experience in the relevant permitted activity conducted by the Georgian entity.

FDI support mechanism - FDI grant in Georgia

The Government of Georgia supports foreign investment projects by offering 15% cashback on capital expenditures and training costs. The program aims to promote FDI growth, knowledge and technology inflows, and job creation, and is implemented by Enterprise Georgia.

Source: Tax Code of Georgia

Note: International Company Status and Virtual Zone Status cannot be held simultaneously. If a company currently has Virtual Zone Status and is granted International Company Status, the former will be automatically revoked.

ANNEX 2: Definitions of IT jobs

Computer programming and consultancy services - The industry includes activities of providing expertise in the field of information technologies: software development, planning and designing computer systems that integrate computer hardware, on-site management of clients' computer systems and/or data processing facilities and other professional and technical computer-related activities.

Software Publishing - The industry includes: publishing of games, operating systems and business applications (including ERP systems)

Web-portals - This industry includes the operation of websites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format and operation of other websites that act as portals to the Internet, such as media sites providing periodically updated content

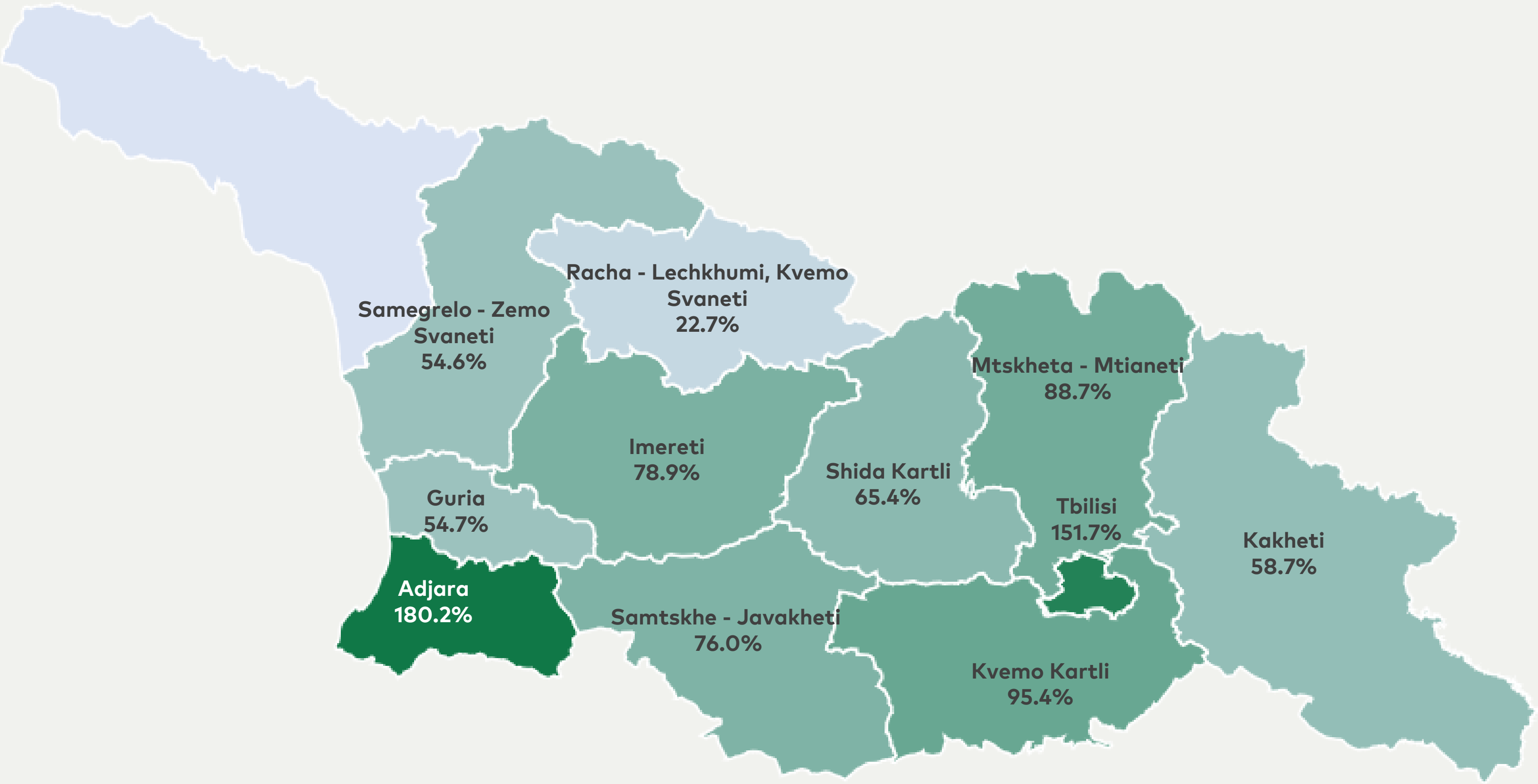
Data processing & hosting - The industry includes the provision of infrastructure for hosting, data processing services and related activities, Web hosting, streaming services, application hosting, application service provisioning and data processing activities.

Types of activities allowed for the entity with the international company status

- Production and / or delivery of digital products, including software support and delivery of updated versions;
- Website development and / or delivery;
- Web hosting, remote software and hardware support;
- Software and related updates;
- Visualization, provision of texts and information for ensuring availability of database;
- Remote system administration;
- Online delivery of allocated memory capacity;
- Access to software or download (including procurement / accounting software or antivirus software) and its updates;
- Banner ad blocking programs;
- Downloadable drivers, such as software that connects computers to peripherals (e.g., a printer);
- Automatic online installation of filters on websites;
- Automatic online installation of firewalls;
- Commercial and technical services by and/or for the shipowner

ANNEX 3: Access to fixed internet in Georgia

Fixed broadband penetration in Georgia, Sep-25



Source: National Communications Commission of Georgia

Note: Penetration reflects the ratio of fixed broadband subscribers to estimated households. Tbilisi and Adjara appear oversubscribed due to a high number of secondary homes mainly used for rental purposes.

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