Parliament of Georgia

Monthly Macroeconomic
Review

May, 2025

Parliamentary Budget Office
of Georgia

2025
June

Main Macroeconomic indicators of April, 2025

Real GDP Growth

7.5%

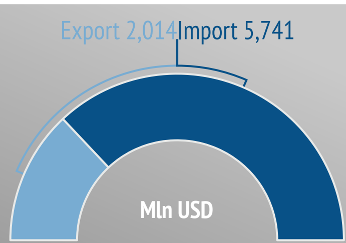
Aprl*

Real GDP Growth
January - April

8.8%

In May 2025, annual CPI inflation amounted to 3.5%, while annual core inflation was observed at 2.0%.

In January - April* 2025, goods exports increased by 14.2%, while imports increased by 15.7% YoY.

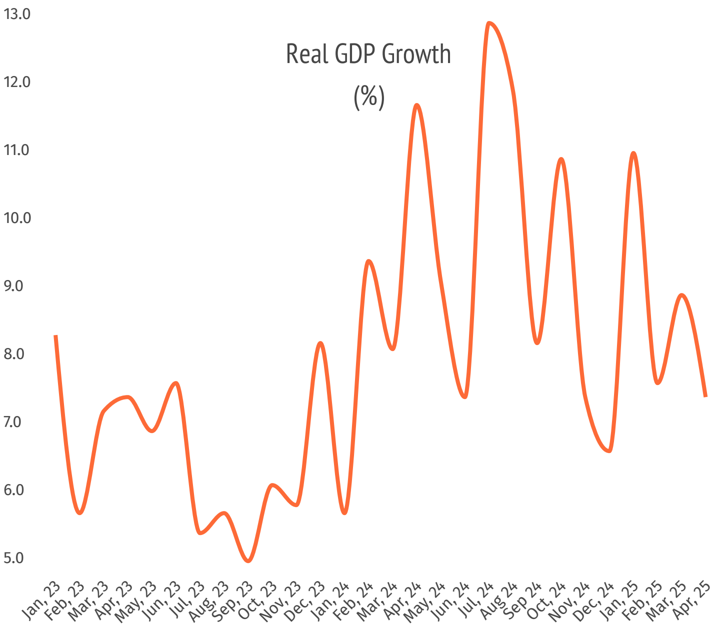


In April* 2025, money transfers amounted to 295.5 million USD.
EU countries - 44.8%;
USA - 18.3%;
Russia - 13.5%;
Other countries - 23.4%.

In Aprl* 2025, the dollarization on deposits decreased, while dollarization on loans increased MoM

In May 2025, GEL appreciated against USD (by 0.4%), while depreciated against EUR (by 0.3%) MoM.

1. Real and Fiscal Sector

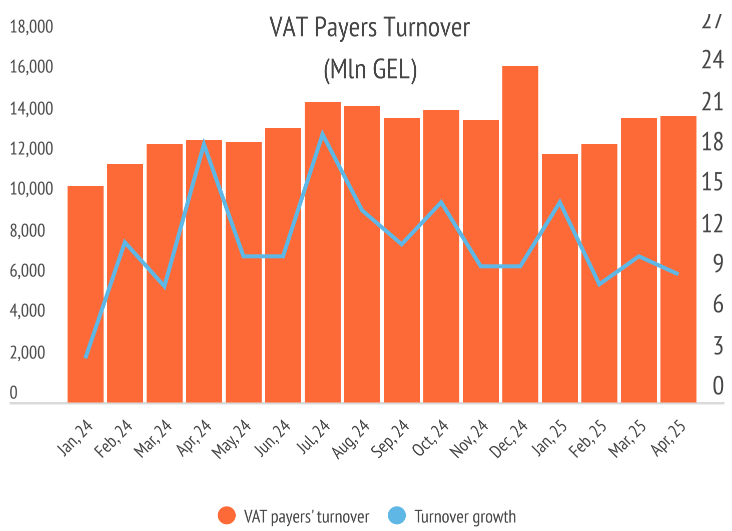


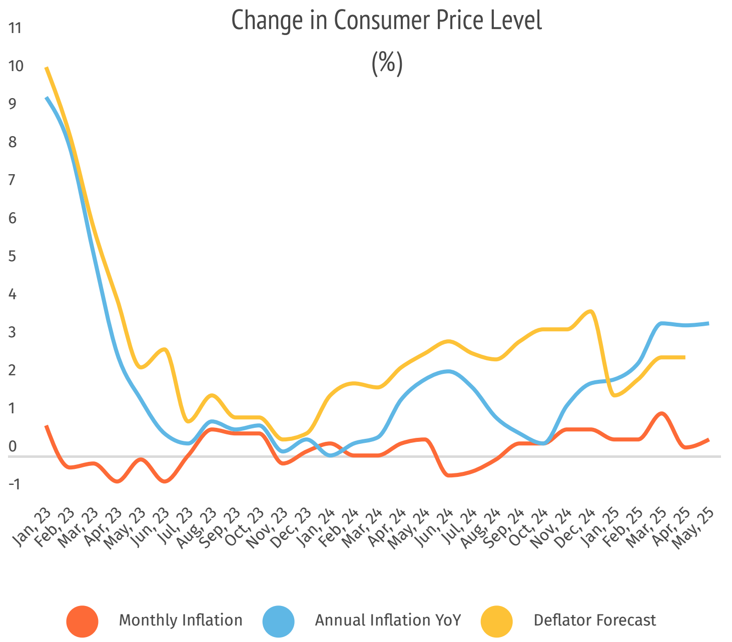
In April* 2025, positive annual economic growth was recorded at 7.5%.

In accordance with the preliminary estimates of GEOSTAT, in April*, annual real GDP growth rate amounted to 7.5% YoY, and the average growth for past four month equaled to 8.8%.

The main positive contributors in economic growth were information and communication, financial and insurance activities, mining and quarrying, real estate activities, transportation and storage.

In April* 2025, the rate of VAT turnover of enterprises amounted to 14,112.6 million GEL, which is 9.4% higher YoY.

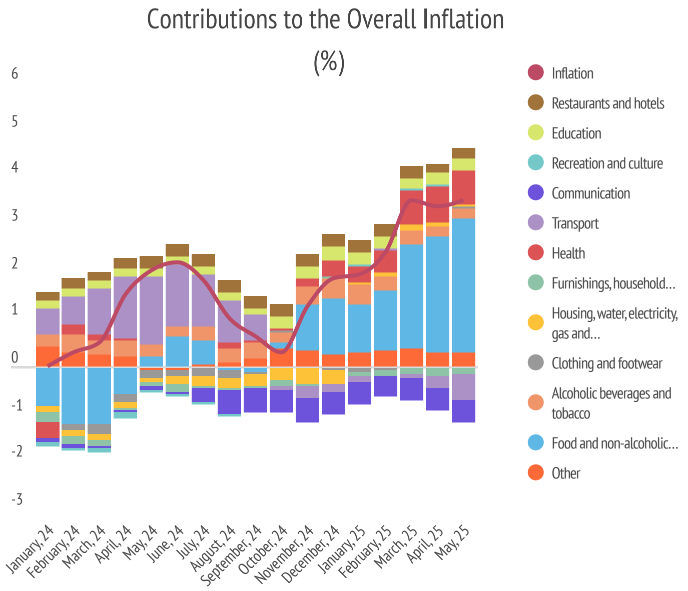


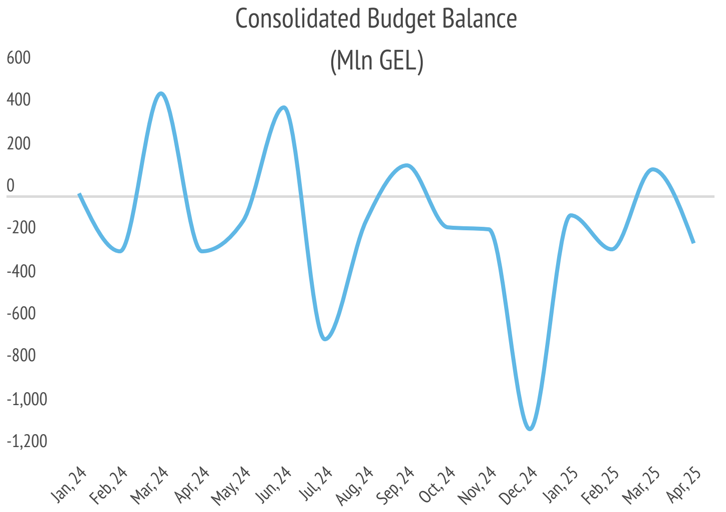


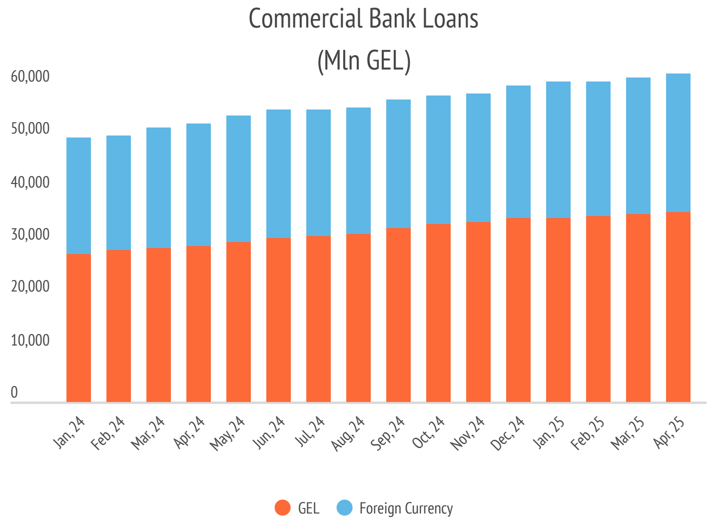
In May 2025, annual CPI inflation amounted to 3.5% YoY.

In May, the inflation rate amounted to 3.5% YoY, higher than the inflation target of 3.0%. Annual inflation was predominantly driven by the dynamics of prices on food and non-alcoholic beverages, health, transport, communication and education. With regard to the annual core inflation in March (excluded food and non-alcoholic beverages, energy, tobacco, regulated tariffs, transport (specific tariffs), the prices increased by 2.0% YoY.

In April* 2025, the annual forecasted GDP deflator amounted to 2.6%.







In April* 2025, the general government net lending/borrowing was negative.

In April* 2025, general government revenues increased by 0.5% YoY, while expenses increased by 1.9% YoY. In the analyzing period, the general government positive net operating balance amounted to 119.4 million GEL, while negative net lending/borrowing was defined at 224.8 million GEL.

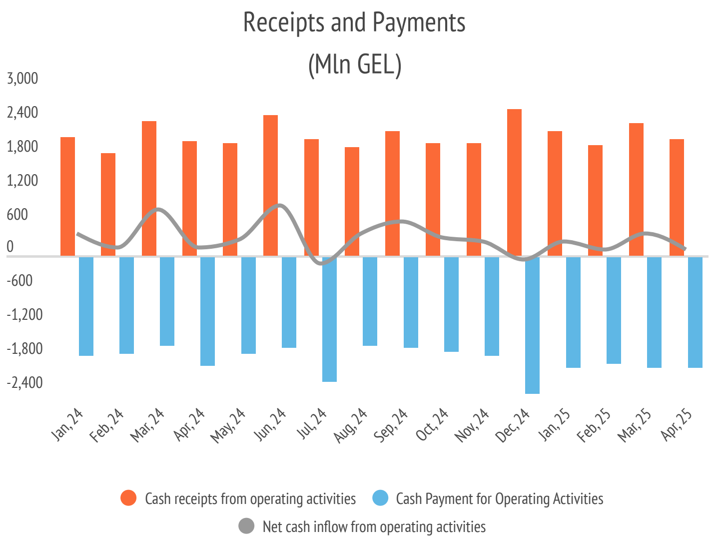
Worth noting, that in April* 2025, tax revenues amounted to 1,923.2 million GEL, which is 0.8% upper YoY. Significant increase was observed in property tax (24.9%), income tax (8.6%), and custom duties (3.0%). While decrease was observed in property profit tax (70.4%), excise tax (10.2%), and VAT taxes (5.9%). Direct taxes comprised 47.9% of total taxes, while indirect taxes are 52.1%.

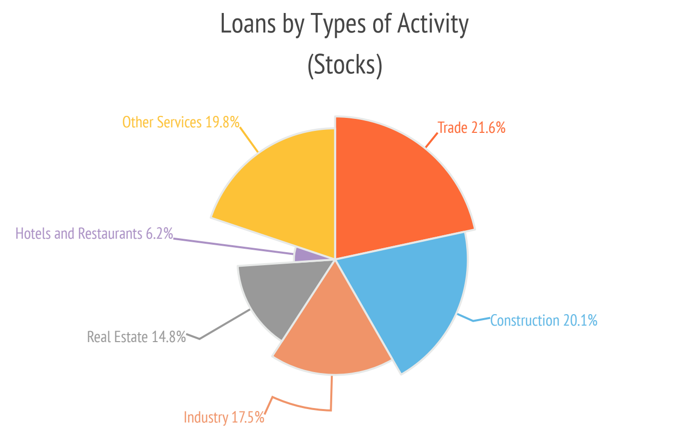
In April*, purchasing of non-financial assets decreased by 6.3% YoY (GEL 26.5 million less).

In April* 2025, compared to the same period of the previous year, commercial bank loans to the national economy increased in both national and foreign currencies.

In April*, commercial bank loans to the national economy increased by 18.1% YoY and amounted to 62.3 billion GEL. National currency loans increased by 21.3%, while foreign currency loans increased by 14.0%. As a result, dollarization of whole commercial bank loans made up to 43.2%. It is worth mentioning, that more than half of total loans (52.8%) was distributed to households (85.2% of household loans were granted to individuals, and 14.8% to entrepreneurs). 37.8% of the issued loans are consumer loans, and 62.2% are secured by real estate.

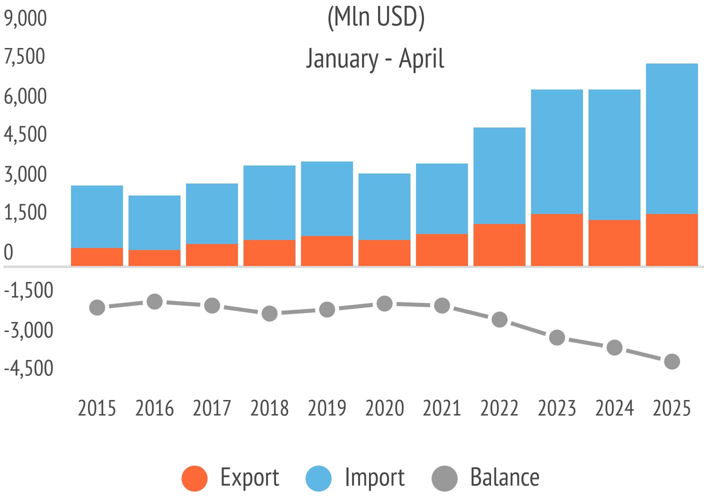
As for loans issued by types of activity, the highest 21.6% was issued in trade, 20.1% in construction, 17.5% in industry, 14.8% in real estate and 6.2% in the field of hotels and restaurants.





2. External Sector

External Trade Indicators
(Mln USD)
January - April

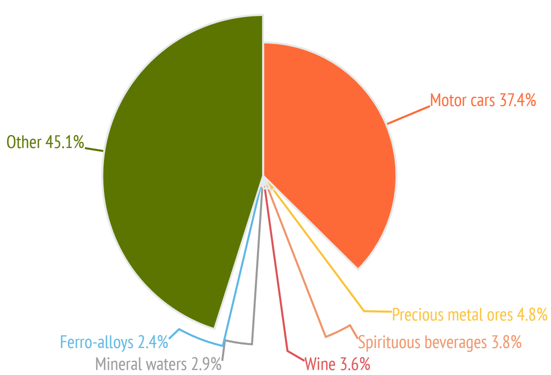


In January-April* 2025, compared to the same period of the previous year, export of goods as well as imports increased.

In January-April*, export of goods increased by 14.2%, while imports increased by 15.7% YoY. As a result, trade turnover amounted to 7,755.7 million USD (15.3% increase YoY). During this period, the share of exports in external trade amounted to 26.0%. Export growth was substantial in the following countries: Bulgaria (376%), Kyrgyzstan (54%), Uzbekistan (36%), Kazakhstan (24%), Azerbaijan (12%), China (10%), Switzerland (9%), etc. In addition, exports decreased in Turkey (20%), Russia (18%), Armenia (11%) etc.

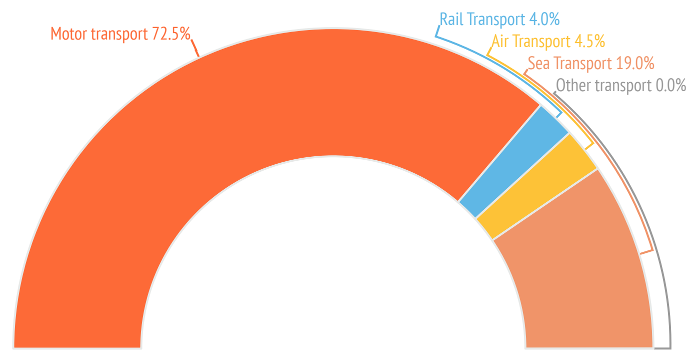
High growth was recorded in several export commodity groups: precious metal ores (110%), Hazelnuts and other nuts (39%), motor cars (31%), mineral and aerated waters, containing added sugar (23%), gold (23%), mineral and aerated waters, not containing sugar (14%) and nitrogen fertilizers (1%). Deterioration was recorded in natural wine (43%), Ferro-alloys (40%) and spirituous beverages (4%).

Major Commodity Groups by Exports
(January - April)



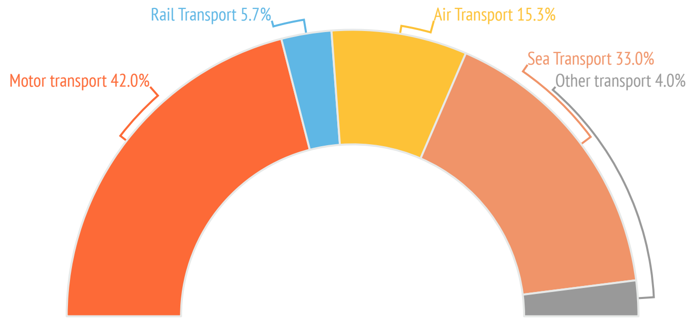
In January-April* 2025, according to the modes of transport, the largest part of exports, 72.5% was carried out by motor transport, 19.0% - by sea, 4.5% - by air, and 4.0% by rail transport. The share of other types of transport (Pipelines, cables and other mode of transports) was 0.02%.

Export by Mode of Transport
(January - April)

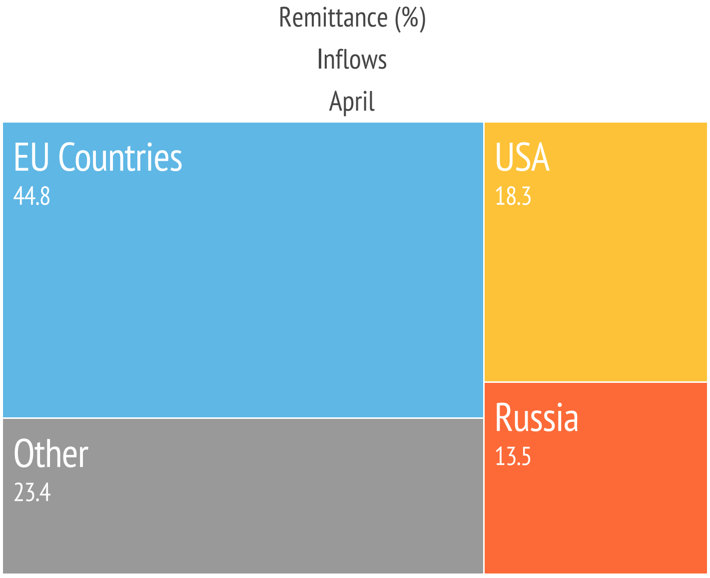


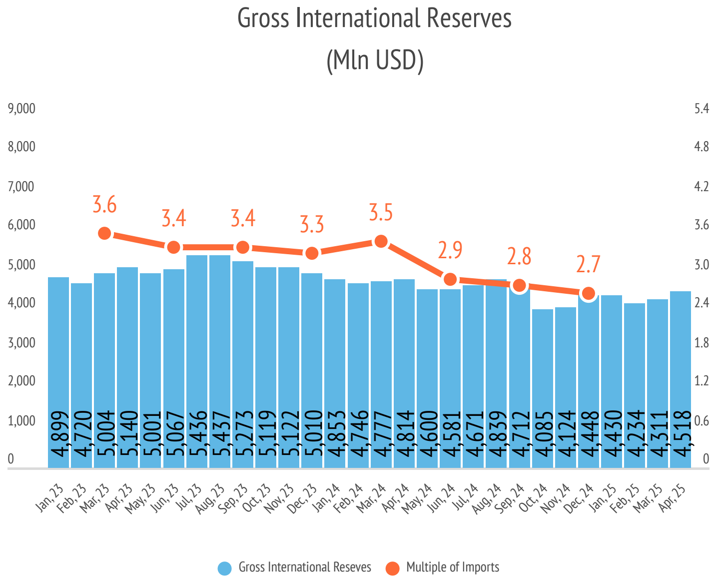
In January-April*, according to the modes of transport, the largest part of imports, 42.0% was carried out by motor transport, 33.0% - by sea, 15.3% - by air, and 5.7% by rail transport. The share of other types of transportation amounted to 4.0%.

Import by Mode of Transport
(January - April)



In January-April*, domestic export from Georgia amounted 902.2 million USD, which is 4.9% upper YoY. Ten largest countries by domestic export from Georgia were the followings: Russia (19% of total domestic export), Turkey (10%), China (9%), Bulgaria (9%), Armenia (5%), Azerbaijan (4%), Switzerland (4%), Ukraine (3%), Kazakhstan (3%), Germany (3%).





In April 2025*, remittances increased.

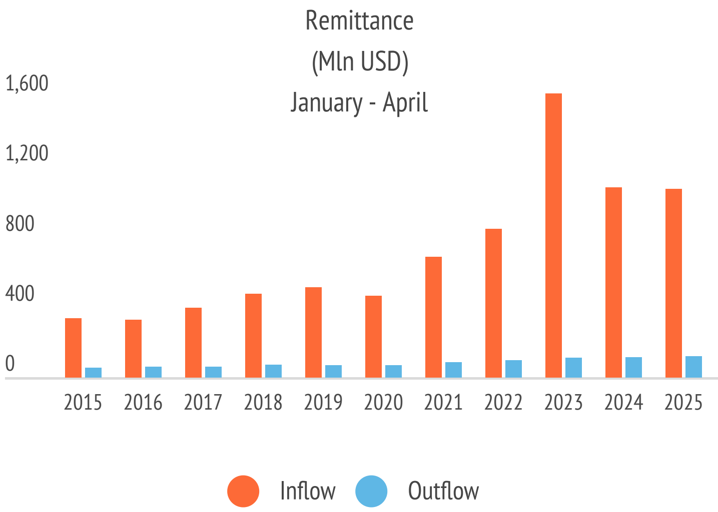
In April*, remittances in Georgia increased by 6.1% YoY and amounted to 295.5 million USD. The main source of money transfers were EU countries (132.5 mln USD, 44.8% of total) and the USA (54.0 mln USD, 18.3% of total). Remittances from Russia decreased by 18.9% and equaled 39.9 mln USD (13.5% of total). In terms of individual countries, remittances were significant from Italy (50.5 mln USD, 17.0% of total), Germany (24.8 mln USD), Greece (24.6 mln USD), Israel (22.2 mln USD), Turkey (8.6 mln USD), Spain (7.8 mln USD), Kyrgyzstan (7.7 mln USD) etc.

In May 2025, international reserves reached 4,585 million USD.

In March, international reserves amounted to 4,585 million USD, which is a 0.3% decrease YoY and 1.5% increase MoM.

In May 2025, the National Bank of Georgia did not conduct foreign exchange operations at the foreign exchange auction.

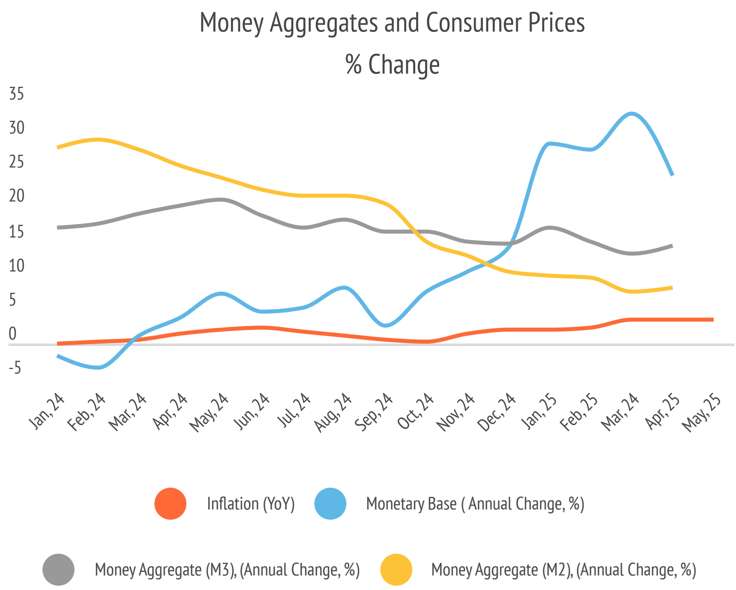
*To assess reserve adequacy it is usually used 3 months multiple of import. Additional information can be found on a link.



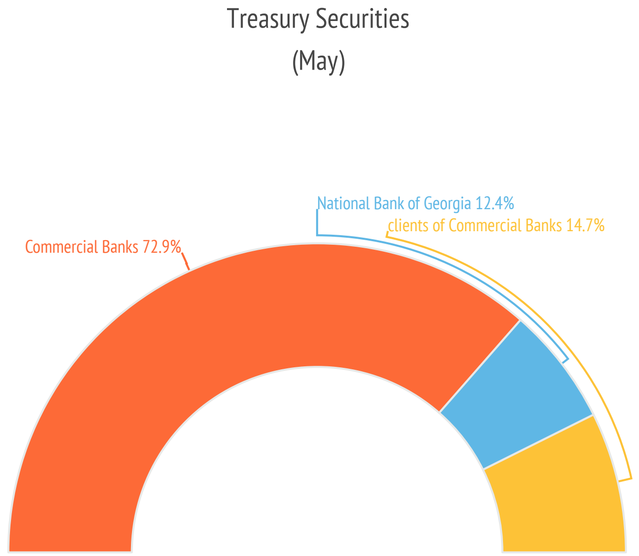
3. Monetary Sector

In April* 2025, compared to the same period of the previous year, monetary base increased.
In April*, monetary base increased by 24.4% YoY, including increased national currency in circulation by 11.7% and liabilities to other depository corporations by 38.1%.

Money aggregate M2 increased by 8.0%, while money aggregate M3 increased by 14.2%. In May 2025, consumer price inflation amounted to 3.5% YoY.



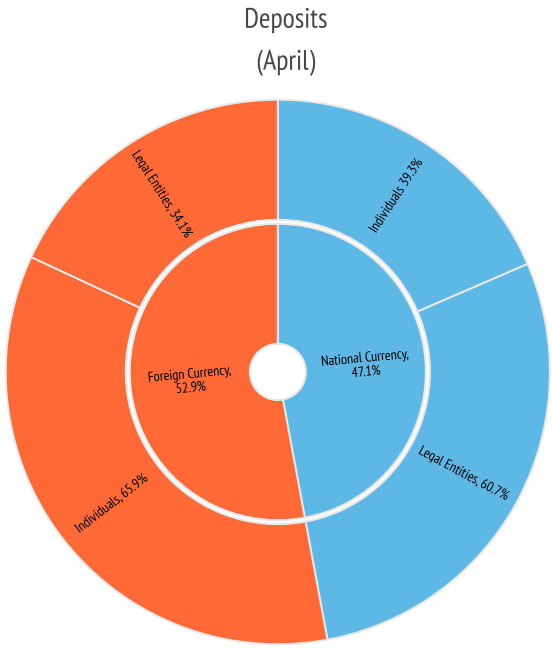
As of the end of May 2025, the nominal value of treasury securities issued by government was 10,226.7 million GEL. Among them, 72.9% is owned by commercial banks, 12.4% by the National Bank, and 14.7% by other resident and non-resident clients (resident – 13.4%, non-resident - 1.3%).



In April* 2025, the total volume of deposits amounted to 59,988.2 million GEL, which is 11.0% higher YoY. Among them, deposits in national currency made up 47.1%, while deposits in foreign currency made up 52.9% respectively.

According to the data available by the end of April* 2025, 60.7% of deposits denominated in national currency belong to legal entities, and 39.3% to individuals.

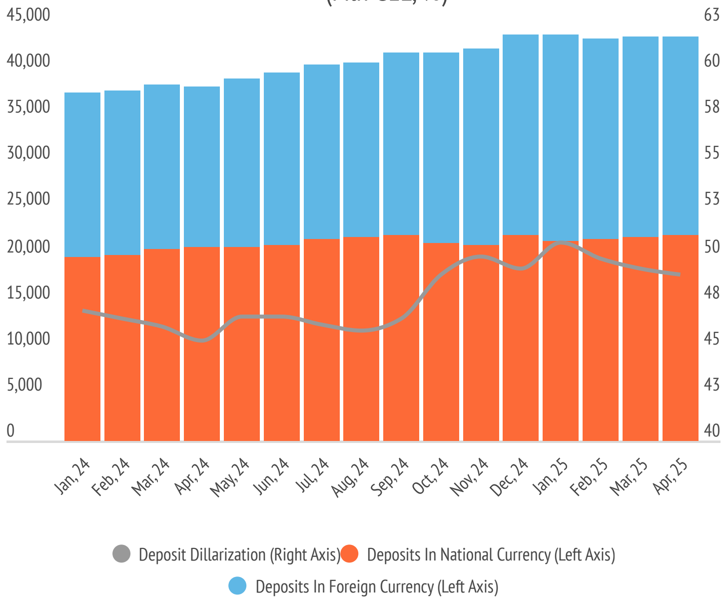
Herewith, 65.9% of foreign currency deposits were owned by individuals, and 34.1% - by legal entities.



In addition, 53.0% of deposits denominated in national currency were time deposits, 24.7% - demand deposits and 22.4% - current accounts.

In the case of foreign currency, time deposits still hold the largest share (42.0%), followed by demand deposits (32.9%) and current accounts (25.1%).

Deposits and Dollarization
(Mln GEL, %)

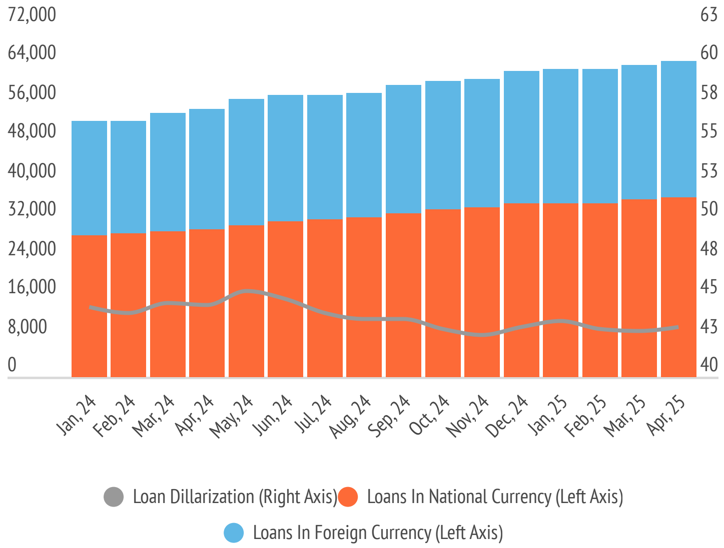


In April* 2025, the dollarization decreased on deposits and increased on loans MoM.

In April*, the deposit dollarization indicator decreased by 0.33 pp and amounted to 49.0% MoM, while loan dollarization increased by 0.14 pp and made up to 43.2% MoM.

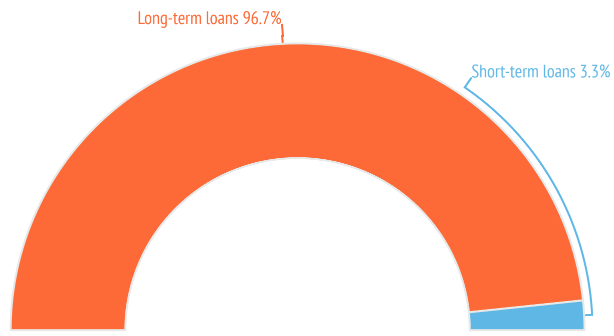
In April*, national currency deposits increased by 1.1% MoM, while foreign currency deposits decreased by 0.2%.

Loans and Dollarization
(Mln GEL, %)



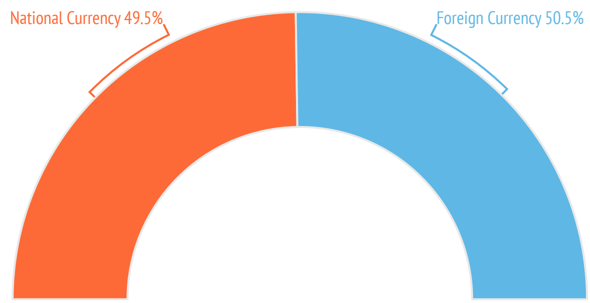
In April* 2025, the volume of consumer loans amounted to 12,719.8 million GEL, which is 25.2% increase YoY. Among them, the share of long-term loans were 96.7%, while short-term loans comprised only 3.3%.

Consumer Loans
(April)



During the same period, the volume of loans secured by real estate amounted to 41,232.6 million GEL, which is 15.1% higher YoY. Among them, the share of loans issued in national currency were 49.5%, while loans denominated in foreign currency were 50.5%.

Loans Secured by Real Estate
(April)



According to the data available by the end of April* 2025, in terms of regions, 63.6% of loans issued by commercial banks denominated in national currency were granted in Tbilisi, 7.8% in Imereti, 7.5% in the Autonomous Republic of Adjara, 5.0% in Kakheti, 4.7% in Kvemo Kartli, 4.1% in Samegrelo-Zemo Svaneti. The share of loans issued in other regions is relatively small.

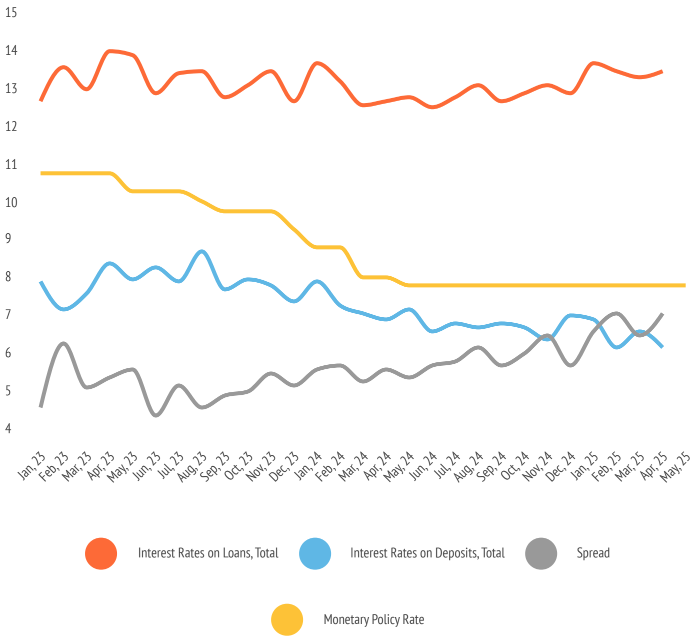
In April* 2025, increased interest rates on loans by 0.2 pp, while on deposits decreased by 0.4 pp MoM.

In April* market interest rates on loans amounted to 13.7%, while interest rates on deposits were defined at 6.4%. The interest rate spread (difference between loan and deposit rates) amounted to 7.3% as of April* 2025, 1.41 pp higher compared to the same indicator of April 2024.

On May 7, 2025, the monetary policy committee of the National Bank of Georgia decided to maintain the monetary policy rate at 8.0%.

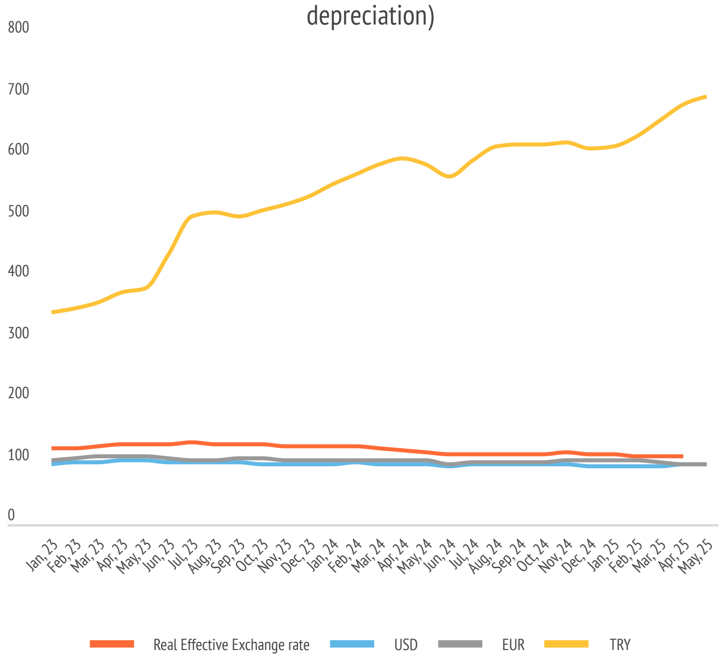
Market Interest Rates on Loans and Deposits

(%)



GEL Exchange Rate Indices

(Increase of the Index means GEL appreciation, decrease - depreciation)



In May 2025, compared to the previous month, the GEL appreciated towards USD and depreciated towards EUR.

In May, GEL appreciated against USD by 0.4% MoM, depreciated against EUR by 0.3% MoM, and appreciated against TRY by 2.1% MoM. In the analyzing period, the nominal effective exchange rate depreciated. In May, the GEL exchange rate depreciated by 0.9% YoY towards USD and by 5.3% YoY towards EUR, while appreciated by 19.0% YoY towards TRY.

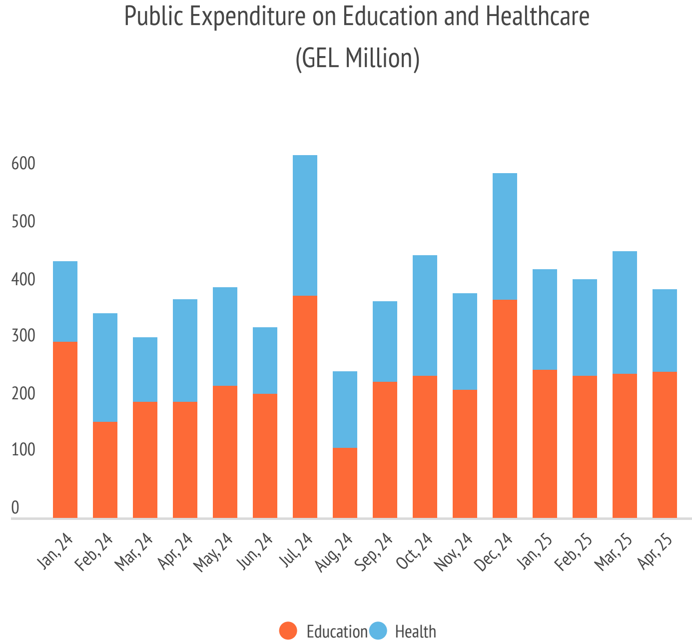
In particular, in May, the average exchange rate of the GEL against USD was 2.74, while it was 3.10 against EUR and 0.07 against TRY.

4. Social Sector

In Q4* 2024, average monthly nominal earnings of employees increased YoY.

In Q4* 2024, the average monthly nominal earnings of employees amounted to 2,217.5 GEL, which is 8.5% increase YoY (173.0 GEL more). Compared to the previous quarter the indicator increased by 7.8%, which is 160.8 GEL more.

As for the change in the average monthly nominal earnings of employees by sector, in the IV quarter of 2024, the highest average monthly salary was recorded in the field of information and communication (4,008.3 GEL; 7.0% decrease YoY), as well as financial and insurance activities (3,373.5 GEL; 8.5% increase YoY), construction (3,361.8 GEL; 9.8% increase YoY) and in the field of Professional, scientific and technical activities (3,259.1 GEL; 11.6% increase YoY).



In April* 2025, public expenditures increased on education and decreased on healthcare YoY.

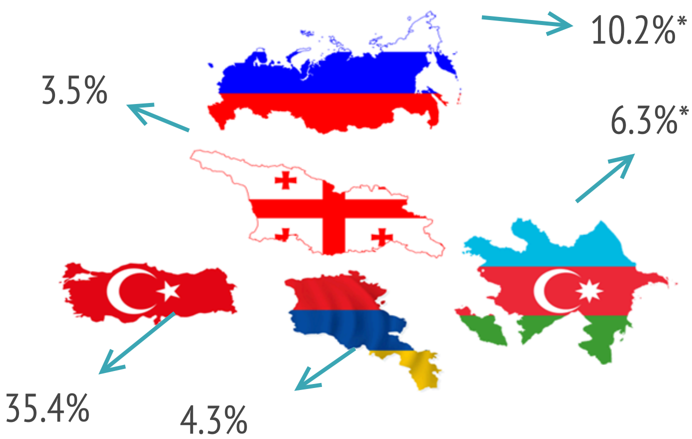
In April*, expenditure on education (as per functional classification) amounted to GEL 256.5 million, which is 26.7% increase YoY. Meanwhile, expenditures on healthcare amounted to GEL 142.5 million, 20.4% decreased YoY.

5. Regional Review

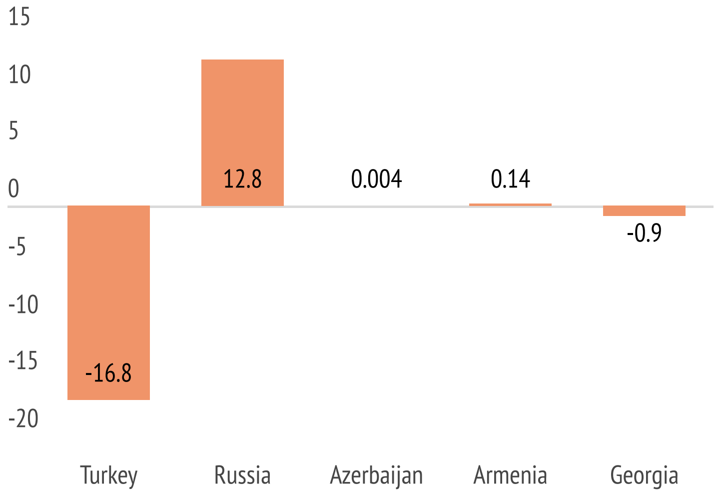
In May 2025, consumer price inflation stands out with similar dynamic trends in the region countries, except Turkey.

Namely, in May 2025, annual inflation amounted to 35.4% in Turkey and 4.3% in Armenia. As for Azerbaijan and Russia, in April* 2025, consumer prices increased by 6.3% YoY and by 10.2% YoY, respectively.

Annual Inflation
May



Exchange Rate Annual Change
May



In April 2025, the currencies of the region countries stand out with a tendency of appreciation towards USD, except TRY and GEL.

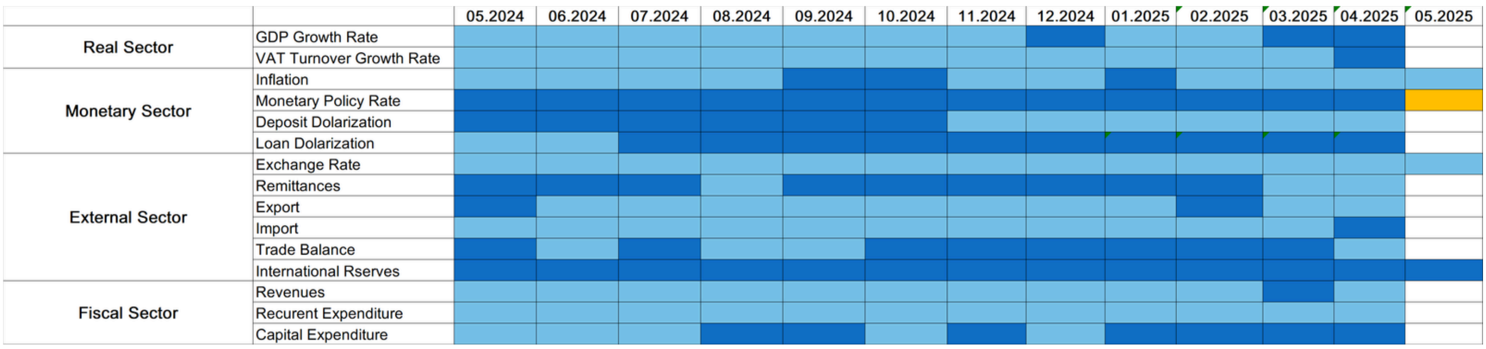
Particularly, in April, GEL depreciated by 0.9% YoY towards USD. In the analyzing period TRY depreciated by 16.8% YoY toward USD, while RUB appreciated by 12.8% YoY toward USD, AMD by 0.14% YoY toward USD, AZN by 0.004% YoY toward USD.

Summary Tables of Main Economic Indicators

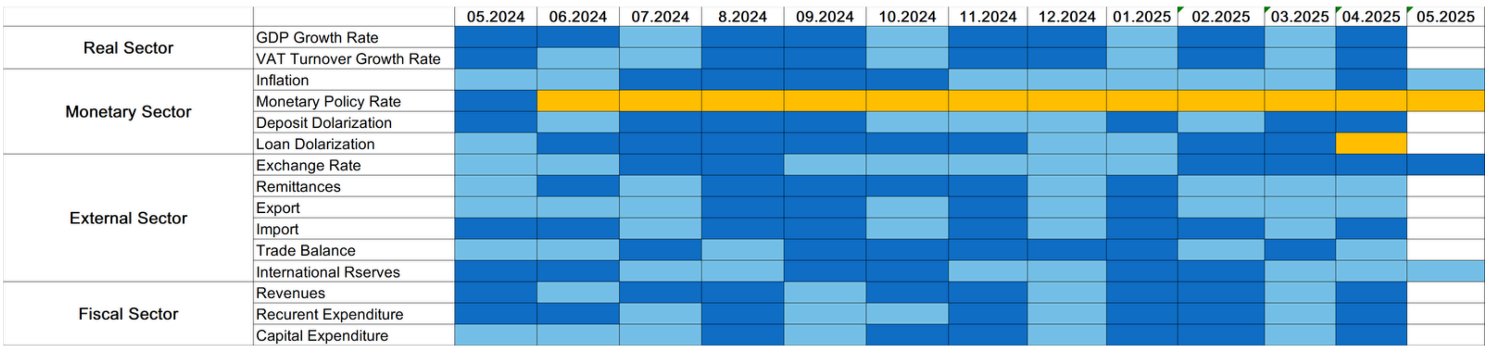
	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25
GDP Growth Rate (%)	9.2	7.5	13.0	12.0	8.3	11.0	7.5	6.7	11.1	7.7	9,0	7.5	
VAT Turnover Growth Rate (%)	10.7	10.7	19.8	14.2	11.6	14.7	10.1	10.1	14.7	8.7	10,8	9.4	
Inflation (%)	2.0	2.2	1.8	1.0	0.6	0.3	1.3	1.9	2.0	2.4	3,5	3.4	3.5
Monetary Policy Rate (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8,00	8.00	8,00
Deposit Dollarization (%)	0.45	0.47	0.47	0.46	0.46	0.47	0.49	0.50	0.49	0.51	0,50	0.49	
Loan Dollarization (%)	0.46	0.45	0.44	0.44	0.44	0.43	0.43	0.43	0.44	0.43	0,43	0.43	
Exchange Rate (GEL)	2.72	2.83	2.73	2.70	2.71	2.73	2.74	2.81	2.84	2.82	2,78	2.75	2.74
Remittances (Thousand USD)	284,309	281,091	298,118	290,567	283,385	281,060	266,696	285,395	242,440	252,282	291 863	295 541	
Export (USD Million)	501	581	684	642	616	682	543	549	404	432	566	617	
Import (USD Million)	1,413	1,360	1,568	1,456	1,442	1,550	1,507	1,689	1,629	1,103	1 403	1 399	
Trade Balance (USD Million)	-911.9	-779.2	-884.0	-813.9	-826.1	-868.0	-964.1	-1,139.7	-1,225.0	-671.9	-836,8	-782.5	
International Reserves (USD Million)	4,600	4,581	4,671	4,839	4,712	4,085	4,124	4,448	4,430	4,234	4 311	4 518	4 585
Revenues (GEL Million)	2,010	2,495	2,066	1,951	2,216	2,011	2,003	2,598	2,213	1,956	2 372	2 059	
Recurrent Expenditure (GEL Million)	1,697	1,587	2,193	1,531	1,599	1,937	1,721	2,648	1,932	1,851	1 955	1 940	
Capital Expenditure (GEL Million)	459	567	570	555	594	567	456	1,147	392	380	406	397	

Increase Decrease Change< 1%

Comparison of key economic indicators with similar data for the corresponding month of last year



Comparison of key economic indicators with similar data of the previous month



Scan the QR code to access the interactive document

Scan the QR code to access the interactive statistics (infographics)

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