



Parliament of Georgia

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# Monthly Macroeconomic **Review**

November, 2024

Parliamentary Budget Office  
of Georgia

2024

December

## Main Macroeconomic indicators of November, 2024

Real GDP Growth

**11.0%**



October\*

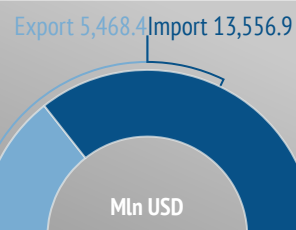
Real GDP Growth  
January - October

**10.0%**

In November, annual CPI inflation amounted to 1.3%, while annual core inflation was observed at 1.6%.



In January - October\* 2024, goods exports increased by 7.4%, while imports increased by 4.8% YoY.



In October\* 2024, money transfers amounted to 281.1 million USD.

EU countries - 44.3%;

USA - 18.1%;

Russia - 12.2%;

Other countries - 25.4%.



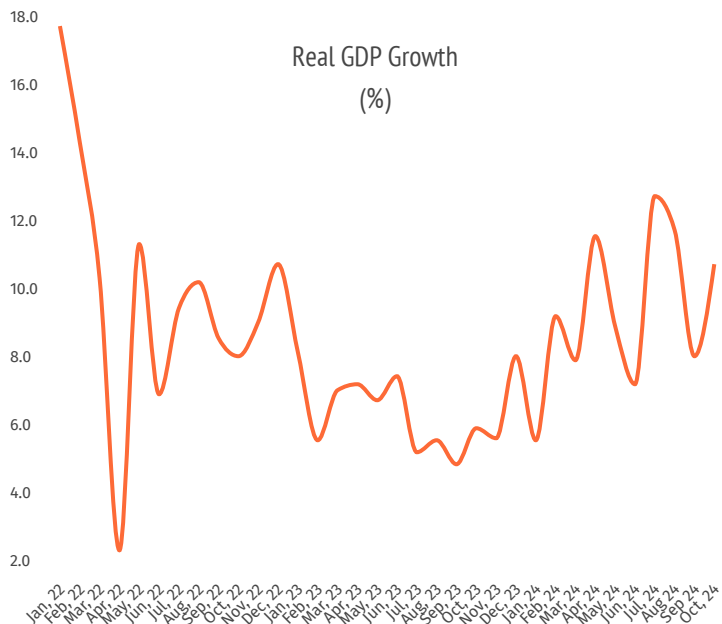
In October\* 2024, the dollarization increased on deposits, while decreased on loans MoM.



In November 2024, GEL depreciated against USD (by 0.3%), while appreciated against EUR (by 2.3%) MoM.



# 1. Real and Fiscal Sector

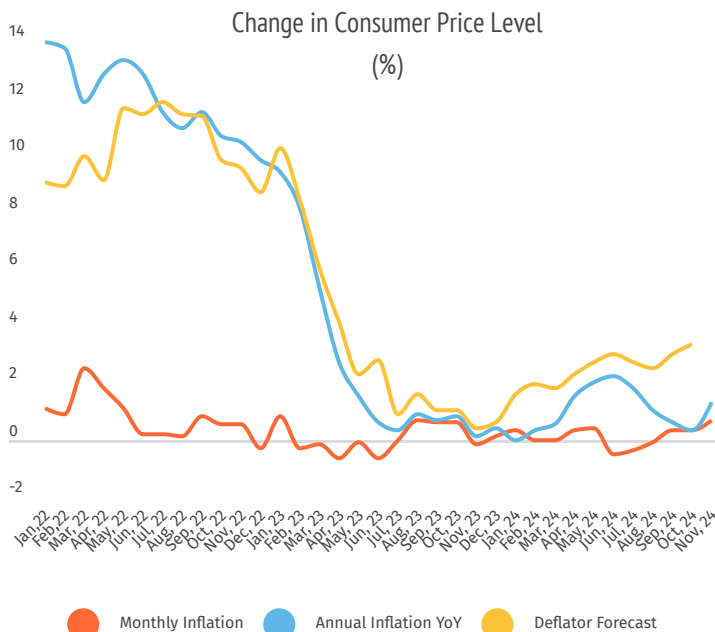
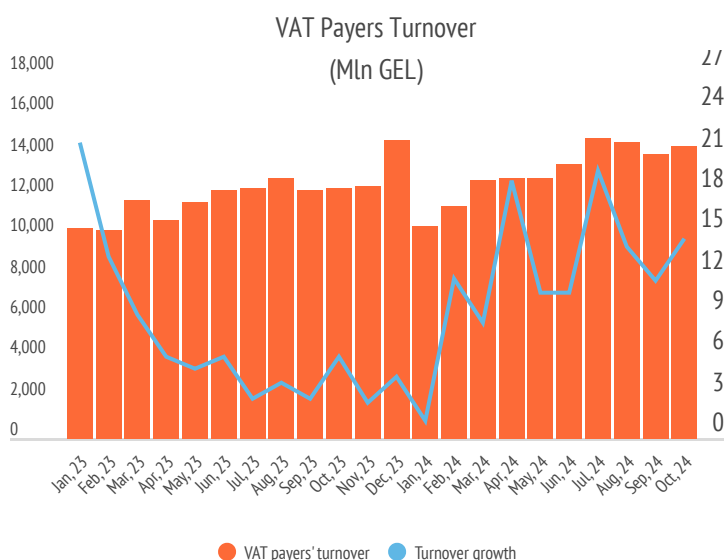


**In October\* 2024, positive annual economic growth was recorded at 11.0%.**

In accordance with the preliminary estimates of GEOSTAT, in October\*, annual real GDP growth rate amounted to 11.0% YoY, and the average growth for past ten month equaled to 10.0%.

The main positive contributors in economic growth were Construction, manufacturing, financial and insurance activities, information and communication, transportation and storage and trade.

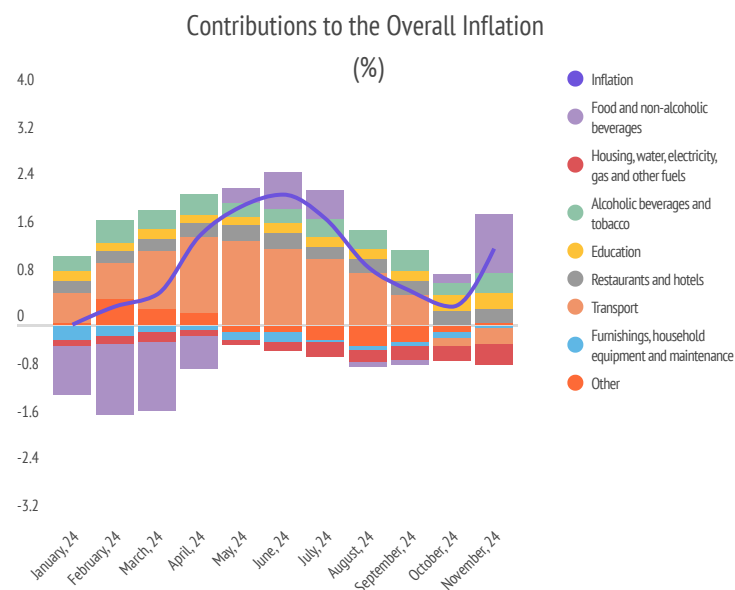
In October\* 2024, the rate of VAT turnover of enterprises amounted to 14,376.9 million GEL, which is 14.7% higher YoY.

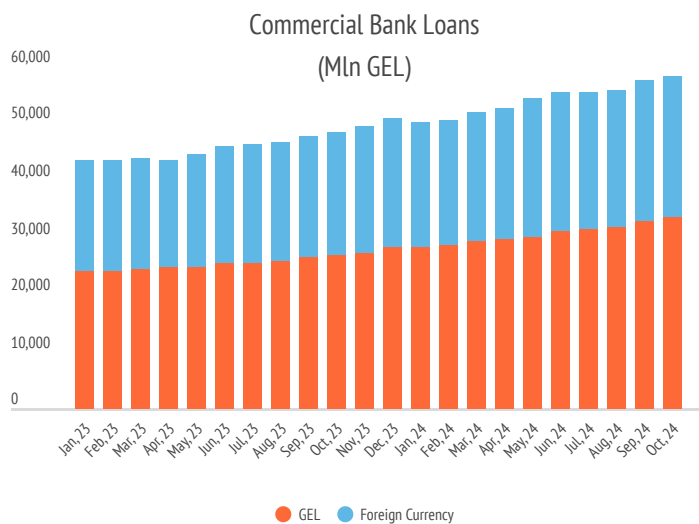
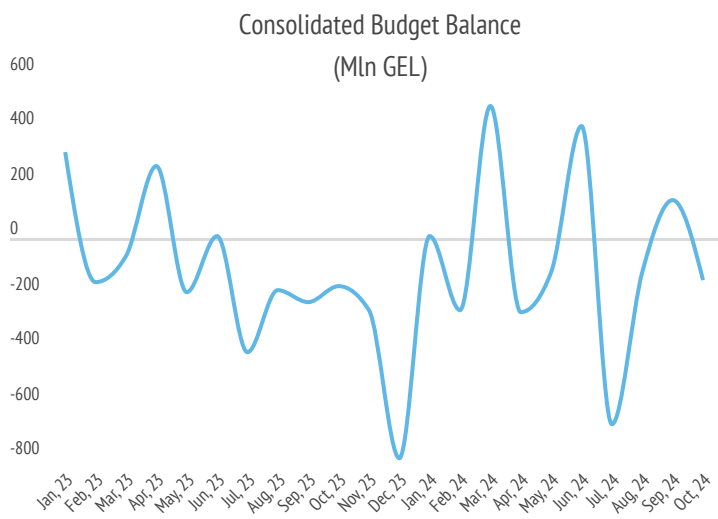


**In November 2024, annual CPI inflation amounted to 1.3% YoY.**

In November, the inflation rate amounted to 1.3% YoY, lower than the inflation target of 3.0%. Annual inflation was predominantly driven by the dynamics of prices on food and non-alcoholic beverages, health and transport. With regard to the annual core inflation in November (excluded food and non-alcoholic beverages, energy, tobacco, regulated tariffs, transport (specific tariffs), the prices increased by 1.6% YoY.

In October\* 2024, the annual forecasted GDP deflator amounted to 3.3%.





**In October\* 2024, the general government net lending/borrowing was negative.**

In October \* 2024, general government revenues increased by 5.1% YoY, while expenses increased by 2.1% YoY. In the analyzing period, the general government positive net operating balance amounted to 349.9 million GEL, while negative net lending/borrowing was defined at 149.5 million GEL.

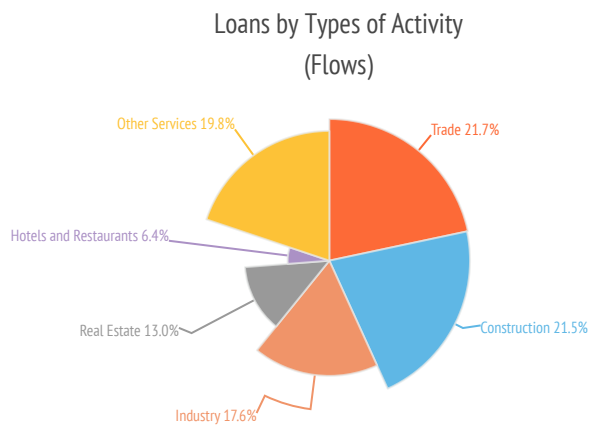
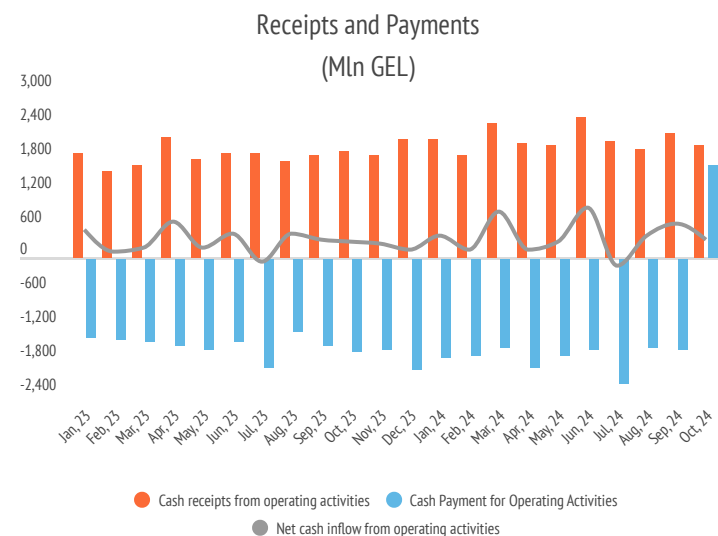
Worth noting, that in October \* 2024, tax revenues amounted to 1,868.3 million GEL, which is 5.8% higher YoY. Significant increase was observed in income tax (19.1%), profit tax (11.4%), VAT tax (4.5%) and property tax (3.6%), While decrease was observed in custom duties (-38.3%) and excise tax (-22.0%). Direct taxes comprised 46.0% of total taxes, while indirect taxes are 54.0%.

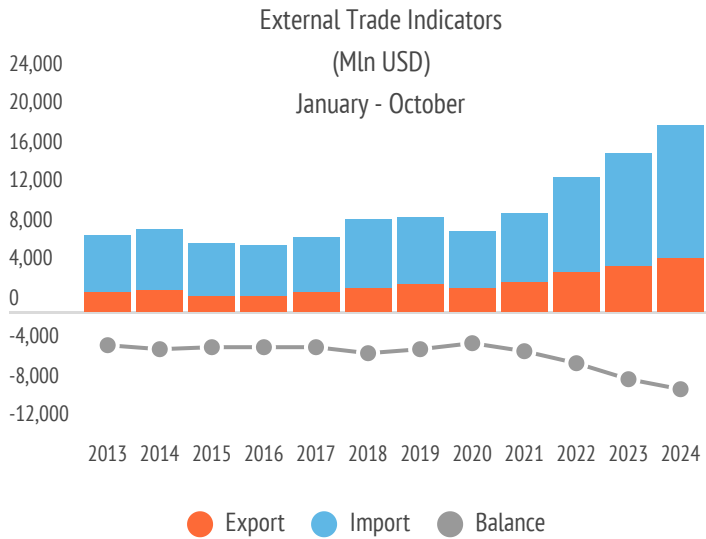
In October\*, purchasing of non-financial assets increased by 21.0% YoY (GEL 98.4 million more).

**In October\* 2024, compared to the same period of the previous year, commercial bank loans to the national economy increased in both national and foreign currencies.**

In October\*, commercial bank loans to the national economy increased by 20.5% YoY and amounted to 58.3 billion GEL. National currency loans increased by 24.3%, while foreign currency loans increased by 15.6%. As a result, dollarization of whole commercial bank loans made up to 43.1%. It is worth mentioning, that more than half of total loans (52.9%) was distributed to households (85.6% of household loans were granted to individuals, and 14.4% to entrepreneurs). 36.8% of the issued loans are consumer loans, and 63.2% are secured by real estate.

As for loans issued by types of activity, the highest 21.7% was issued in trade, 21.5% in construction, 17.6% in industry, 13.0% in real estate and 6.4% in the field of hotels and restaurants.



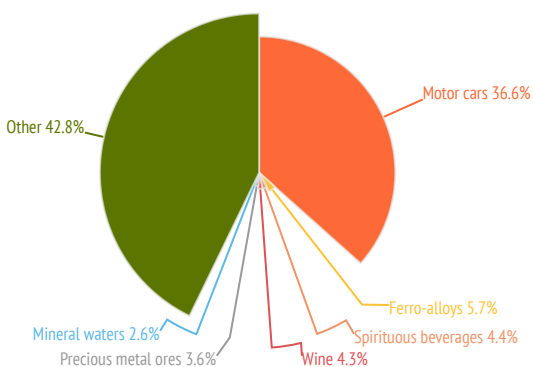


**In January - October\* 2024, compared to the same period of the previous year, export of goods as well as imports increased.**

In January - October \*, export of goods increased by 7.4%, while imports increased by 4.8% YoY. As a result, trade turnover amounted to 19,025.3 million USD (5.5% increase YoY). During this period, the share of exports in external trade amounted to 28.7%. Export growth was substantial in the following countries: Kyrgyzstan (86%), USA (77%), Uzbekistan (23%), Kazakhstan (23%), Turkey (19%), Russia (4%) etc. In addition, exports decreased in Bulgaria (59%), Armenia (22%), Azerbaijan (14%), China (6%) etc.

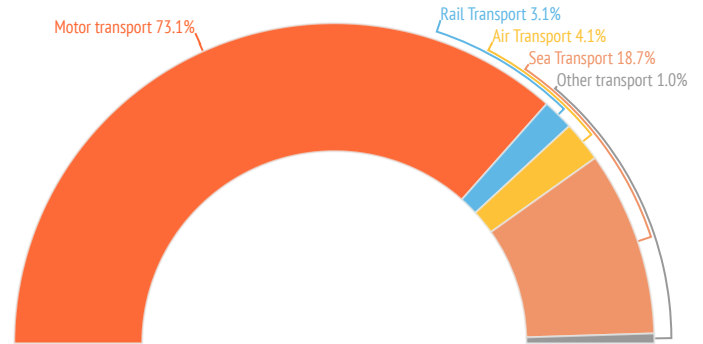
High growth was recorded in several export commodity groups: precious metal ores (282%), Ferro-alloys (117%), spirituous beverages (58%), mineral and aerated waters with sugar (26%), mineral and aerated waters without sugar (25%), gold (22%), motor cars (14%) and natural wine (9%). Deterioration was recorded in Nitrogen fertilizers (28%) and Medicaments put up in measured doses(3%).

**Major Commodity Groups by Exports (January - October)**



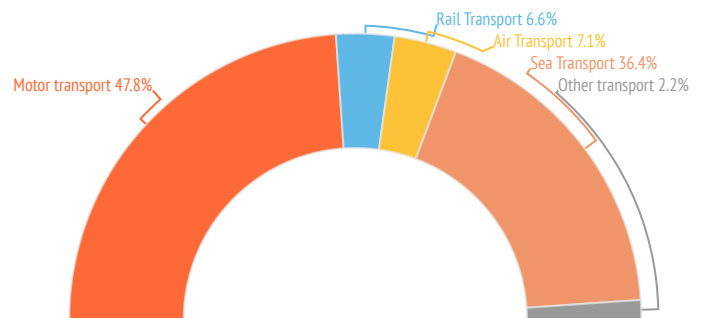
In January - October\* 2024, according to the modes of transport, the largest part of exports, 73.1% was carried out by motor transport, 18.7% - by sea, 4.1% - by air, and 3.1% by rail transport. The share of other types of transport (Pipelines, cables and other mode of transports) was 1.0%.

**Export by Mode of Transport (January - October)**



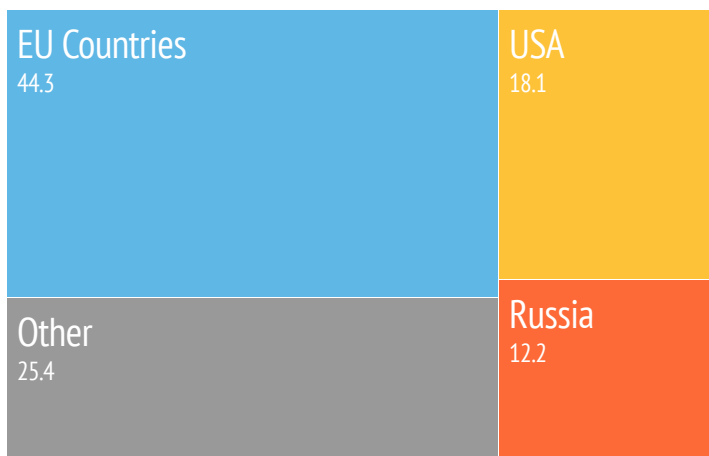
In January - October\*, according to the modes of transport, the largest part of imports, 47.8% was carried out by motor transport, 36.4% - by sea, 7.1% - by air, and 6.6% by rail transport. The share of other types of transportation (Pipelines, cables and other mode of transports) amounted to 2.2%.

**Import by Mode of Transport (January - October)**

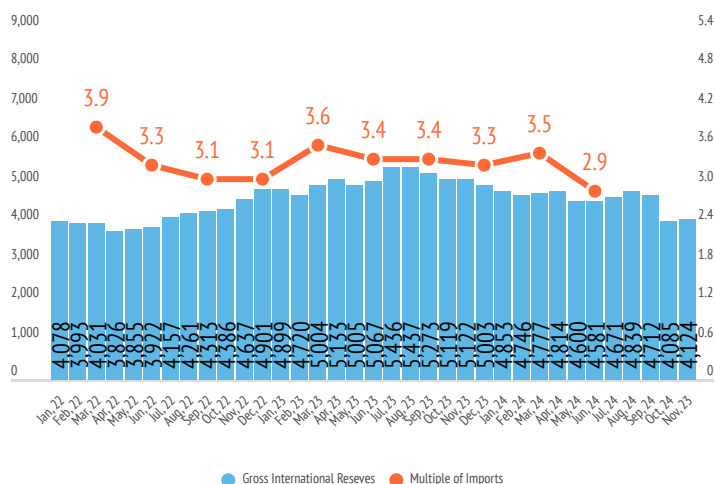


In January - October\*, domestic export from Georgia amounted 2,370.5 million USD, which is 1.3% higher YoY. Ten largest countries by domestic export from Georgia were the followings: Russia (20% of total domestic export), Turkey (16%), China (10%), Armenia (5%), USA (5%), Azerbaijan (5%), Bulgaria (4%), Switzerland (4%), Ukraine (3%), Kazakhstan (3%).

Remittance (%)  
Inflows  
October



Gross International Reserves  
(Mln USD)



**In October 2024\*, remittances decreased slightly.**

In October\*, remittances in Georgia decreased by 1.5% YoY and amounted to 281.1 million USD. The main source of money transfers were EU countries (124.6 mln USD, 44.3% of total) and the USA (50.9 mln USD, 18.1% of total). Remittances from Russia decreased by 44.5% and equaled 34.4 mln USD (12.2% of total). In terms of individual countries, remittances were significant from Italy (47.3 mln USD, 16.8% of total), Germany (24.5 mln USD), Greece (22.8 mln USD), Israel (21.1 mln USD), Kyrgyzstan (9.5 mln USD), Turkey (9.1 mln USD), Kazakhstan (7.6 mln USD) etc.

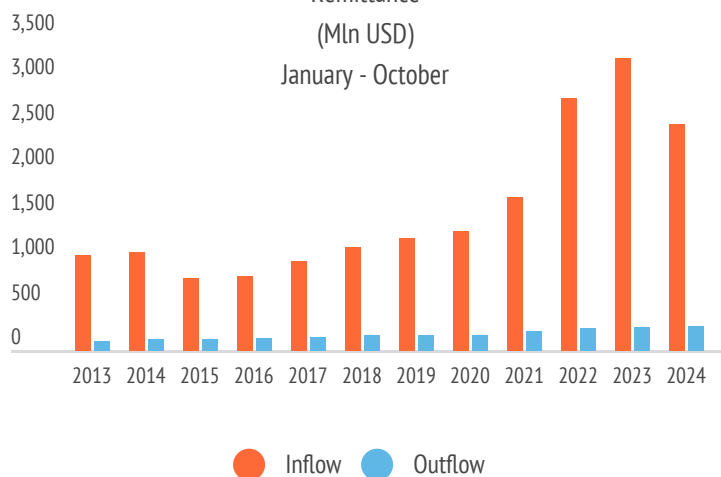
**In October 2024, international reserves reached 4,124 million USD.**

In October, international reserves amounted to 4,124 million USD, which is a 19.5% decrease YoY and 1.0% increase MoM.

In November 2024, 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](#).

Remittance  
(Mln USD)  
January - October

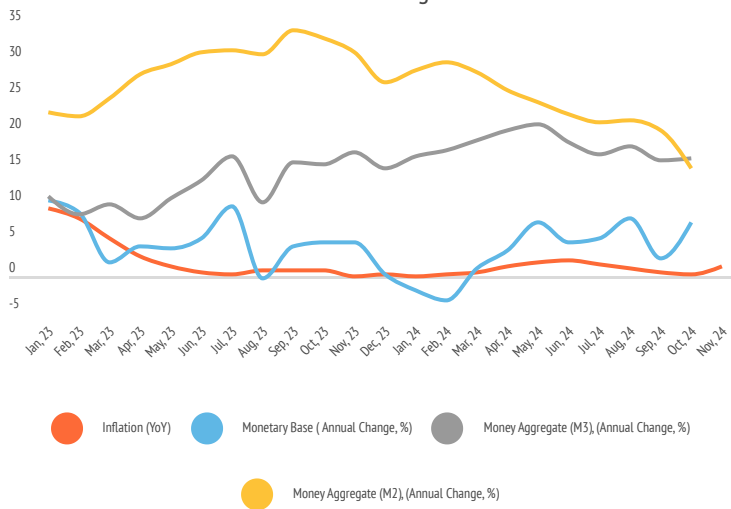


**In October\* 2024, compared to the same period of the previous year, monetary base increased.**

In October\*, monetary base increased by 7.5% YoY, including increased national currency in circulation by 15.1% and liabilities to other depository corporations by 0.5%.

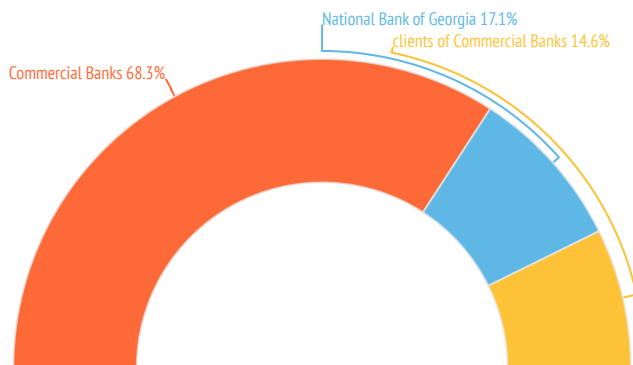
Money aggregate M2 increased by 14.9%, while money aggregate M3 increased by 16.4%. In November 2024, consumer price inflation amounted to 1.3% YoY.

Money Aggregates and Consumer Prices  
% Change



As of the end of November 2024, the nominal value of treasury securities issued by government was 9,447.9 million GEL. Among them, 68.4% is owned by commercial banks, 17.1% by the National Bank, and 14.6% by other resident and non-resident clients (resident – 12.2%, non-resident - 2.4%).

Treasury Securities  
(November)

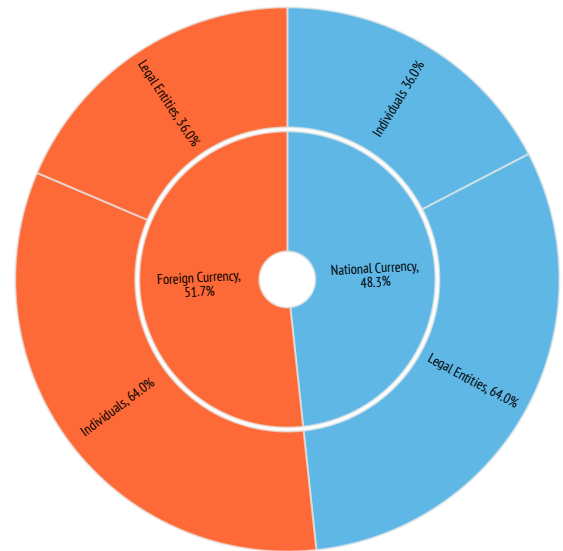


In October\* 2024, the total volume of deposits amounted to 59,102.0 million GEL, which is 15.6% higher YoY. Among them, deposits in national currency made up 48.3%, while deposits in foreign currency made up 51.7% respectively.

According to the data available by the end of October\* 2024, 64.0% of deposits denominated in national currency belong to legal entities, and 36.0% to individuals.

Herewith, 64.0% of foreign currency deposits were owned by individuals, and 36.0% - by legal entities.

Deposits  
(October)

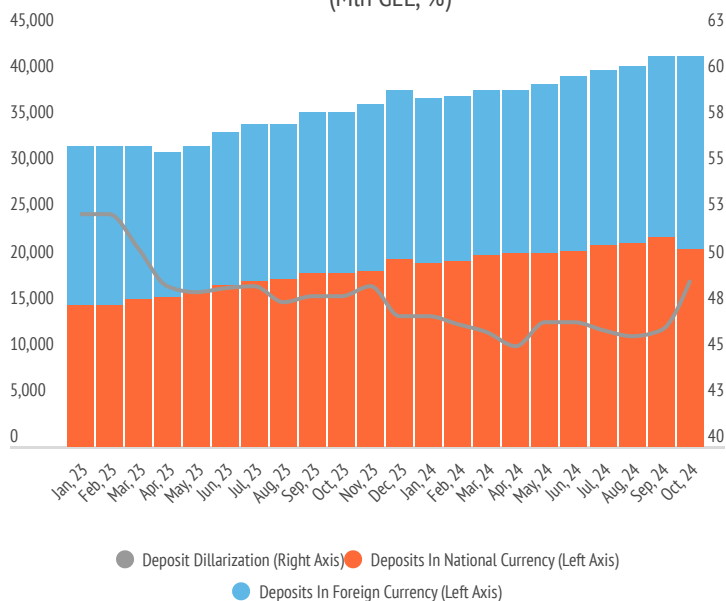


In addition, 52.1% of deposits denominated in national currency were time deposits, 25.0% - demand deposits and 22.9% - current accounts.

In the case of foreign currency, time deposits still hold the largest share (39.0%), followed by demand deposits (31.7%) and current accounts (29.4%).

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Deposits and Dollarization  
(Mln GEL, %)



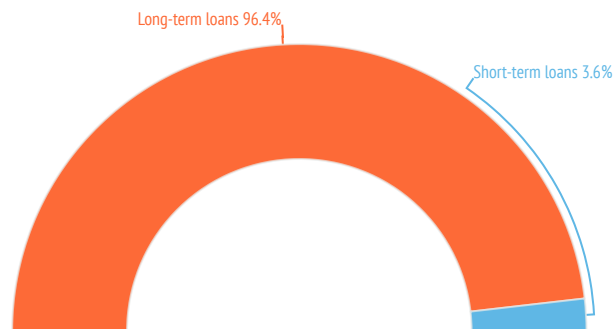
**In October\* 2024, the dollarization increased on deposits, while decreased on loans MoM.**

In October\*, the deposit dollarization indicator increased by 2.71 pp and amounted to 49.0% MoM, while loan dollarization decreased by 0.64 pp and made up to 43.1% MoM.

In October\*, national currency deposits decreased by -4.0% MoM, while foreign currency deposits increased by 3.6%.

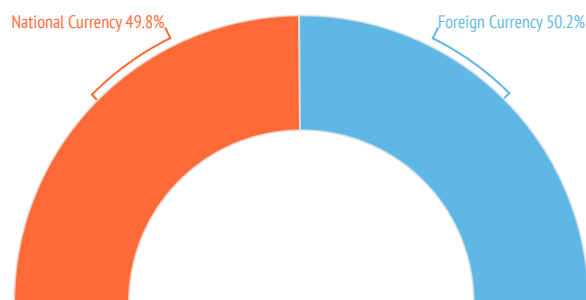
In October\* 2024, the volume of consumer loans amounted to 11,559.0 million GEL, which is 27.0% increase YoY. Among them, the share of long-term loans were 96.4%, while short-term loans comprised only 3.6%.

Consumer Loans  
(October)

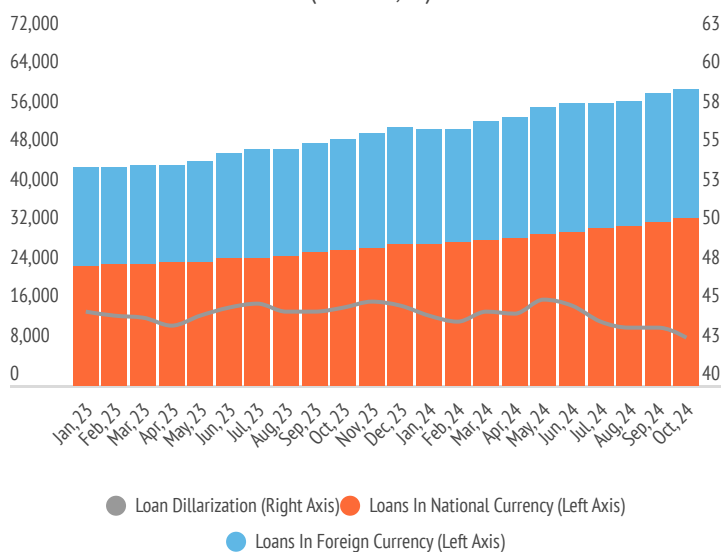


During the same period, the volume of loans secured by real estate amounted to 39,181.2 million GEL, which is 19.6% higher YoY. Among them, the share of loans issued in national currency were 49.8%, while loans denominated in foreign currency were 50.2%.

Loans Secured by Real Estate  
(October)



Loans and Dollarization  
(Mln GEL, %)



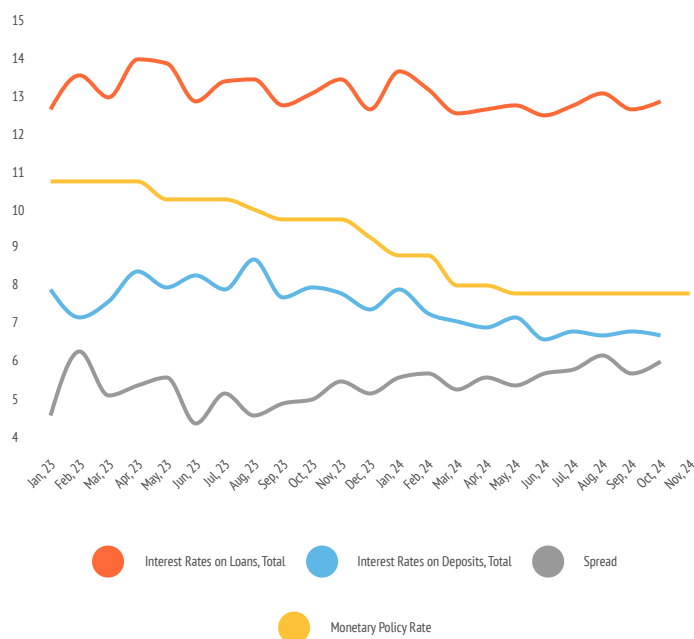
According to the data available by the end of October\* 2024, in terms of regions, 63.4% of loans issued by commercial banks denominated in national currency were granted in Tbilisi, 7.9% in Imereti, 7.4% in the Autonomous Republic of Adjara, 5.2% in Kakheti, 4.6% in Kvemo Kartli, 4.2% in Samegrelo-Zemo Svaneti. The share of loans issued in other regions is relatively small.

**In October\*2024, interest rates on deposits decreased by 0.1 pp while on loans increased by 0.3 pp MoM.**

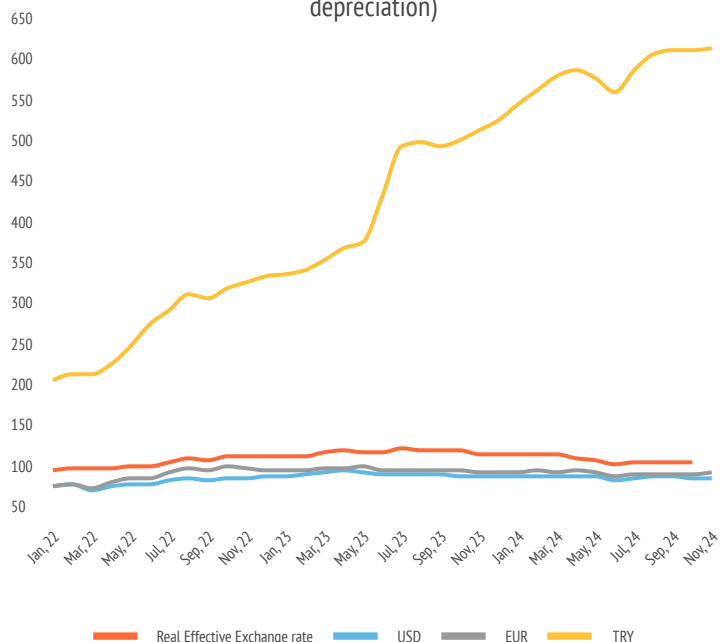
In October\* market interest rates on loans amounted to 13.1%, while interest rates on deposits were defined at 6.9%. The interest rate spread (difference between loan and deposit rates) amounted to 6.2% as of October\* 2024, 1.09 pp higher compared to the same indicator of October 2023.

On October 23, 2024, 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 November 2024, compared to the previous month, the GEL slightly depreciated towards USD, while slightly appreciated towards EUR.**

In November, GEL depreciated against USD by 0.3% MoM, appreciated against EUR by 2.3% MoM, and appreciated against TRY by 0.2% MoM. In the analyzing period, the nominal effective exchange rate appreciated. In November, the GEL exchange rate depreciated by 1.1% YoY towards USD, while appreciated by 0.3% YoY towards EUR and by 19.0% YoY towards TRY.

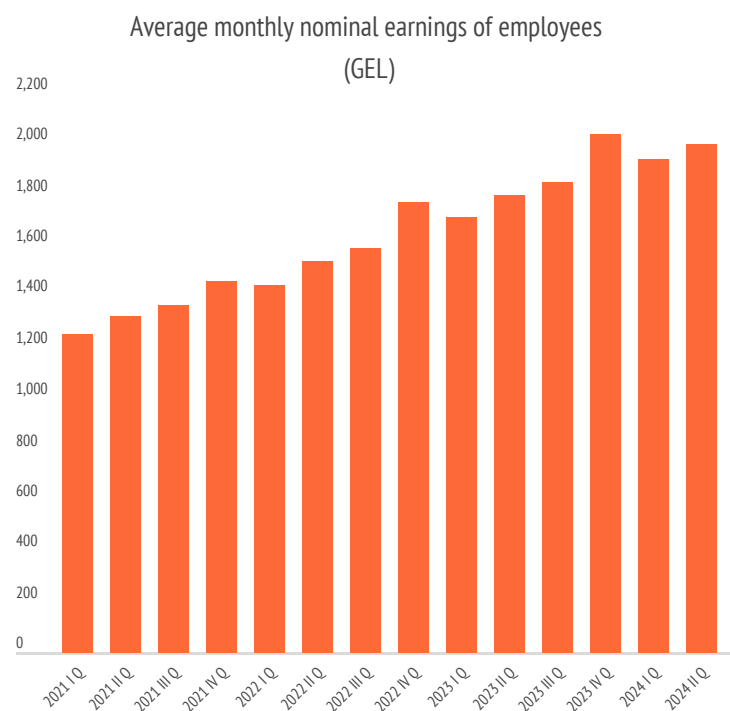
In particular, in November, the average exchange rate of the GEL against USD was 2.74, while it was 2.91 against EUR and 0.08 against TRY.

## 4. Social Sector

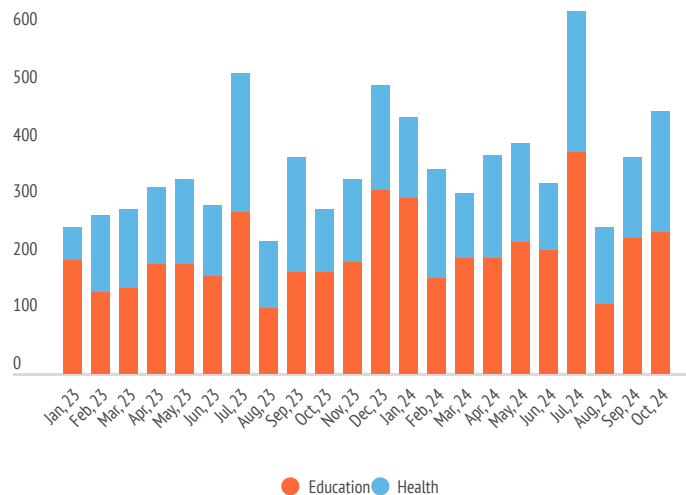
### In Q2 2024, average monthly nominal earnings of employees increased YoY.

In Q2 2024, the average monthly nominal earnings of employees amounted to 2,004.9 GEL, which is 11.1% increase YoY (200.4 GEL more). Compared to the previous quarter the indicator increased by 3.2%, which is 61.5 GEL less.

As for the change in the average monthly nominal earnings of employees by sector, in the II quarter of 2024, the highest average monthly salary was recorded in the field of information and communication (3,963.0 GEL; 4.3% increase YoY), as well as financial and insurance activities (3,642.3 GEL; 14.4% increase YoY), construction (2,946.1 GEL; 13.7% increase YoY) and in the field of Professional, scientific and technical activities (2,872.8 GEL; 13.8% increase YoY).



Public Expenditure on Education and Healthcare (GEL Million)



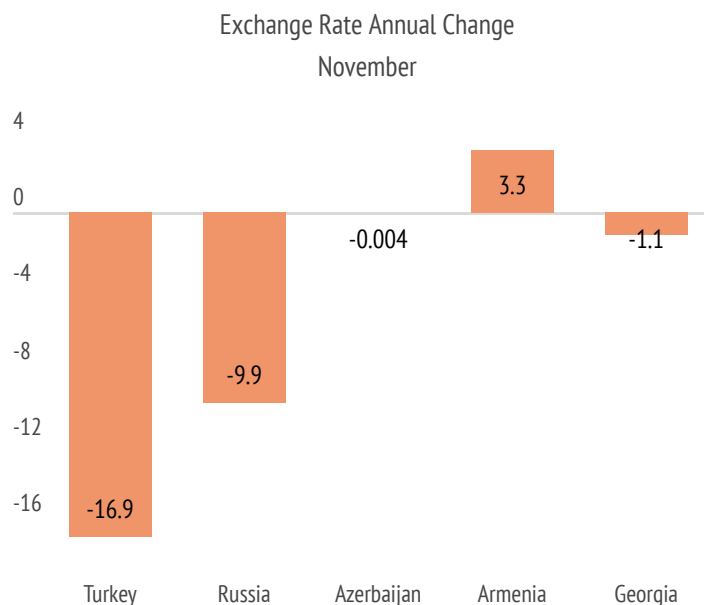
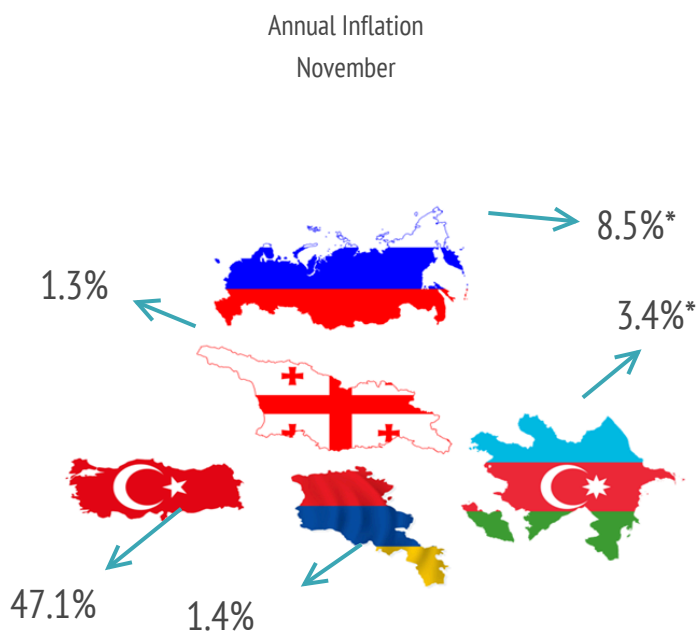
### In October\* 2024, public expenditures on education and on healthcare increased YoY.

In October\*, expenditure on education (as per functional classification) amounted to GEL 247.5 million, which is 39.5% increase YoY. Meanwhile, expenditures on healthcare amounted to GEL 210.1 million, 91.3% increased YoY.

## 5. Regional Review

**In November 2024, consumer price inflation stands out with similar dynamic trends in the region countries, except Turkey.**

Namely, in November 2024, annual inflation amounted to 47.1% in Turkey, while in Armenia it was relatively small (1.4%). As for Azerbaijan and Russia, in October\* 2024, consumer prices increased by 3.4% YoY and by 8.5% YoY respectively.



**In November 2024, the currencies of the region countries stand out with a tendency of depreciation towards USD, except AMD .**

Particularly, in November, GEL depreciated by 1.1% YoY towards USD. In the analyzing period TRY depreciated by 16.9% YoY toward USD, RUB by 9.9% YoY toward USD and AZN by 0.004% YoY toward USD, while AMD appreciated by 3.3% YoY toward USD.

## Summary Tables of Main Economic Indicators

	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24
GDP Growth Rate (%)	5.9	8.3	5.8	9.5	8.2	11.8	9.2	7.5	13.0	12.0	8.3	11.0	
VAT Turnover Growth Rate (%)	2.6	4.6	1.4	11.8	8.5	19.1	10.7	10.7	19.8	14.2	11.6	14.7	
Inflation (%)	0.1	0.4	1.4	0.3	0.5	1.5	2.0	2.2	1.8	1.0	0.6	0.3	1.3
Monetary Policy Rate (%)	10.00	9.50	10 445.9	9.00	8.25	8.25	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Deposit Dollarization (%)	0.48	0.49	0.47	0.47	0.47	0.46	0.45	0.47	0.47	0.46	0.46	0.5	
Loan Dollarization (%)	0.45	0.45	0.45	0.44	0.45	0.45	0.46	0.45	0.44	0.44	0.44	0.4	
Exchange Rate (GEL)	2.71	2.69	2.68	2.66	2.68	2.68	2.72	2.83	2.73	2.70	2.71	2.73	2.74
Remittances (Thousand USD)	295 013	311 008	265 093	266 386	280 934	278 515	284 309	281 091	298 118	290 567	283 385	281,060	
Export (USD Million)	482	514	339	465	523	437	501	581	684	642	616	682	
Import (USD Million)	1 297	1 369	1 102	1 181	1 227	1 451	1 411	1 355	1 555	1 386	1 323	1,440	
Trade Balance (USD Million)	-814.8	-854.5	-763.3	-716.1	-704.1	-1 013.8	-909.3	-774.3	-871.1	-744.4	-707.9	-759	
International Reserves (USD Million)	5 122	5 010	4 853	4 746	4 777	4 814	4 600	4 581	4 671	4 839	4 712	4,085	4,124
Revenues (GEL Million)	1 831	2 122	2 116	1 823	2 384	2 050	2 010	2 495	2 066	1 951	2 216	2,011	
Recurrent Expenditure (GEL Million)	1 581	1 947	1 716	1 676	1 558	1 904	1 697	1 587	2 193	1 531	1 599	1,661	
Capital Expenditure (GEL Million)	545	1 109	402	420	430	424	459	567	570	555	594	567.00	



Increase



Decrease



Change &lt; 1%

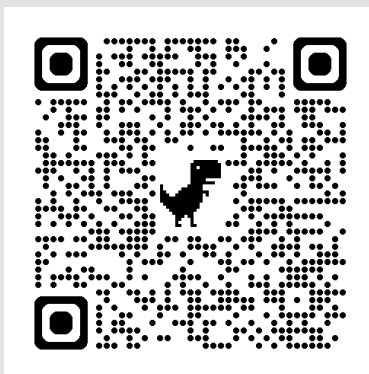
### Comparison of key economic indicators with similar data for the corresponding month of last year

		11.2023	12.2023	01.2024	02.2024	03.2024	04.2024	05.2024	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024
Real Sector	GDP Growth Rate													
	VAT Turnover Growth Rate													
Monetary Sector	Inflation													
	Monetary Policy Rate													
	Deposit Dollarization													
	Loan Dollarization													
External Sector	Exchange Rate													
	Remittances													
	Export													
	Import													
	Trade Balance													
Fiscal Sector	International Reserves													
	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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

		11.2023	12.2023	01.2024	2.2024	03.2024	04.2024	05.2024	06.2024	07.2024	8.2024	09.2024	10.2024	11.2024
Real Sector	GDP Growth Rate													
	VAT Turnover Growth Rate													
Monetary Sector	Inflation													
	Monetary Policy Rate													
	Deposit Dollarization													
	Loan Dollarization													
External Sector	Exchange Rate													
	Remittances													
	Export													
	Import													
	Trade Balance													
Fiscal Sector	International Reserves													
	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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