



Parliament of Georgia

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# Monthly Macroeconomic **Review**

March, 2025

Parliamentary Budget Office  
of Georgia

2025

April

## Main Macroeconomic indicators of March, 2025

Real GDP Growth

**7.7%**



February\*

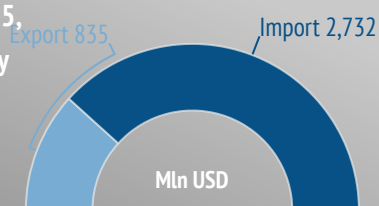
Real GDP Growth  
January - February

**9.4%**

In March 2025, annual CPI inflation amounted to 3.5%, while annual core inflation was observed at 2.4%.



In January - February\* 2025, goods exports increased by 4.0%, while imports increased by 19.6% YoY.



In February\* 2025, money transfers amounted to 252.3 million USD.

EU countries - 43.9%;

USA - 18.8%;

Russia - 12.0%;

Other countries - 25.4%.



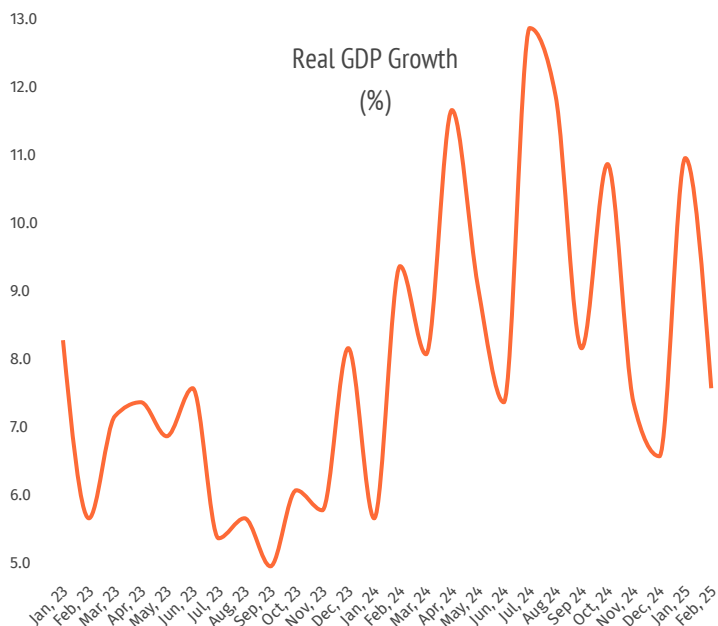
In February\* 2025, the dollarization on both deposits and loans decreased MoM



In March 2025, GEL appreciated against USD (by 1.4%), while depreciated against EUR (by 2.0%) MoM.



# 1. Real and Fiscal Sector

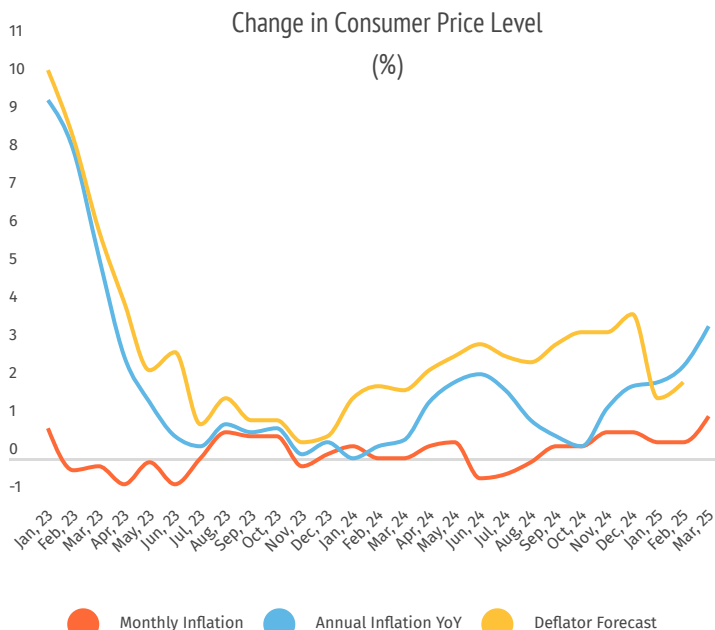
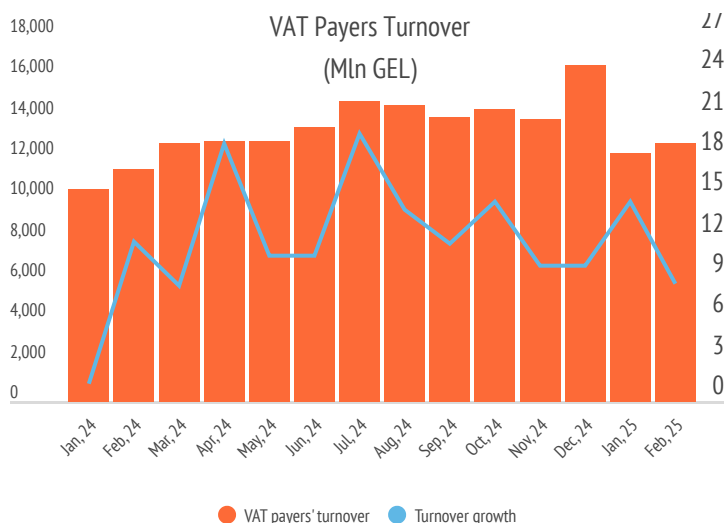


**In February\* 2025, positive annual economic growth was recorded at 7.7%.**

In accordance with the preliminary estimates of GEOSTAT, in February\*, annual real GDP growth rate amounted to 7.7% YoY, and the average growth for past two month equaled to 9.4%.

The main positive contributors in economic growth were professional, scientific and technical activities, information and communication, transportation and storage, energy, mining and quarrying.

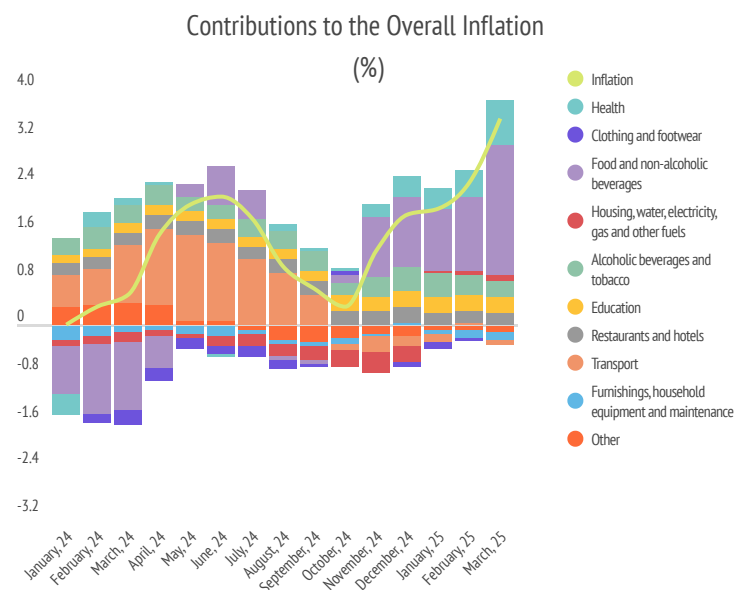
In February\* 2025, the rate of VAT turnover of enterprises amounted to 12,669.9 million GEL, which is 8.7% higher YoY.

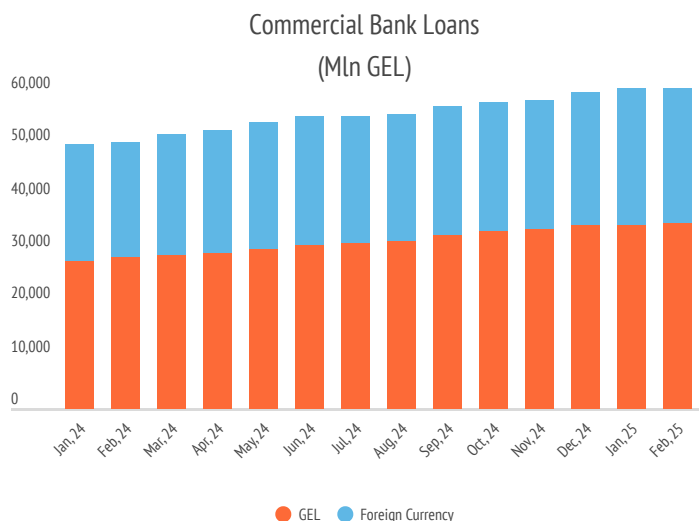
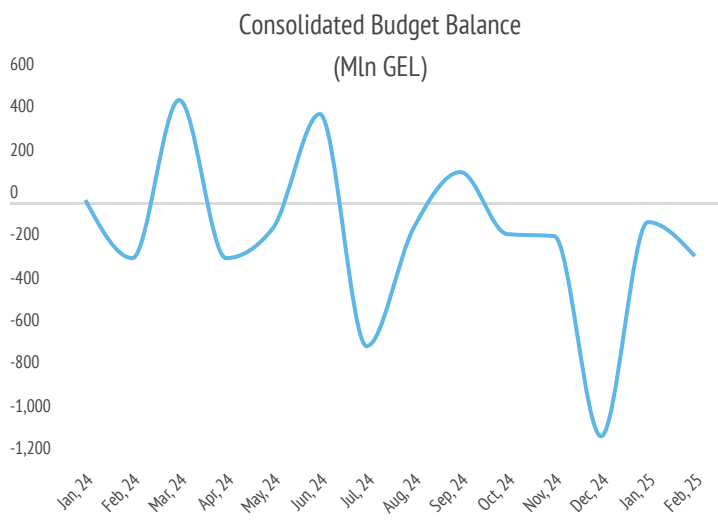


**In March 2025, annual CPI inflation amounted to 3.5% YoY.**

In March, 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, alcoholic beverages and tobacco, education, restaurants and hotels. 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 2.4% YoY.

In February\* 2025, the annual forecasted GDP deflator amounted to 2.0%.





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

In February\* 2025, general government revenues increased by 7.3% YoY, while expenses increased by 10.5% YoY. In the analyzing period, the general government positive net operating balance amounted to 105.2 million GEL, while negative net lending/borrowing was defined at 248.8 million GEL.

Worth noting, that in February\* 2025, tax revenues amounted to 1,844.7 million GEL, which is 8.1% higher YoY. Significant increase was observed in income tax (13.3%), VAT tax (13.0%), custom duties (8.6%), and profit tax (2.8%). While decrease was observed in property tax (-62.1%) and excise tax (-4.3%). Direct taxes comprised 49.3% of total taxes, while indirect taxes are 50.7%.

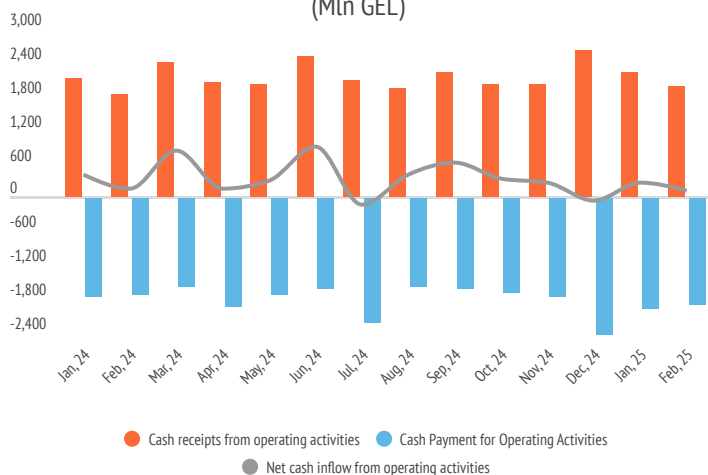
In February\*, purchasing of non-financial assets decreased by 9.6% YoY (GEL 40.3 million less).

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

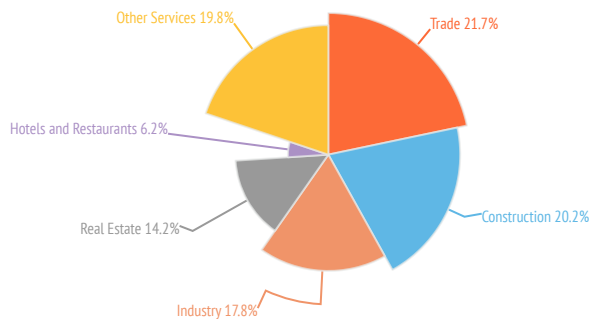
In February\*, commercial bank loans to the national economy increased by 20.3% YoY and amounted to 60.7 billion GEL. National currency loans increased by 22.9%, while foreign currency loans increased by 16.8%. As a result, dollarization of whole commercial bank loans made up to 43.1%. It is worth mentioning, that more than half of total loans (52.8%) was distributed to households (85.4% of household loans were granted to individuals, and 14.6% to entrepreneurs). 37.5% of the issued loans are consumer loans, and 62.5% are secured by real estate.

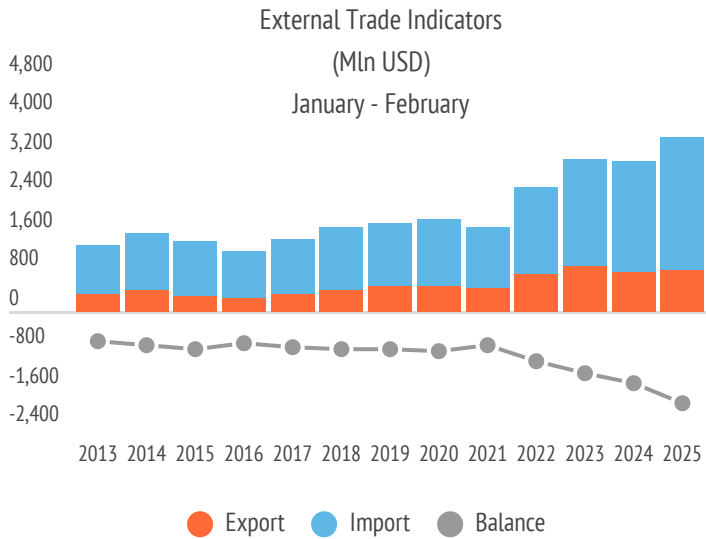
As for loans issued by types of activity, the highest 21.7% was issued in trade, 20.2% in construction, 17.8% in industry, 14.2% in real estate and 6.2% in the field of hotels and restaurants.

Receipts and Payments (Mln GEL)



Loans by Types of Activity (Flows)



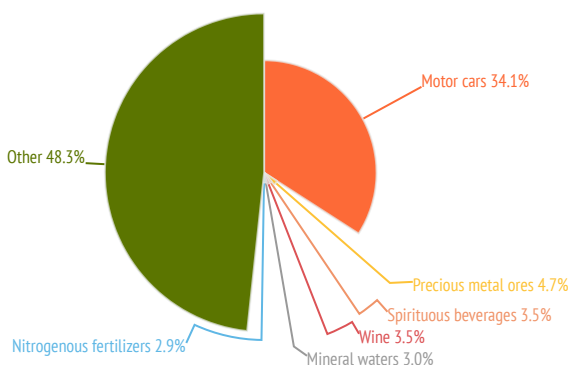


**In January-February\* 2025, compared to the same period of the previous year, export of goods as well as imports increased.**

In January-February\*, export of goods increased by 4.0%, while imports increased by 19.6% YoY. As a result, trade turnover amounted to 3,567.6 million USD (15.6% increase YoY). During this period, the share of exports in external trade amounted to 23.4%. Export growth was substantial in the following countries: Bulgaria (640%), Switzerland (33%), Kyrgyzstan (33%), Uzbekistan (24%), Kazakhstan (19%) etc. In addition, exports decreased in Turkey (27%), Russia (26%), China (22%), Armenia (13%), Azerbaijan (2%) etc.

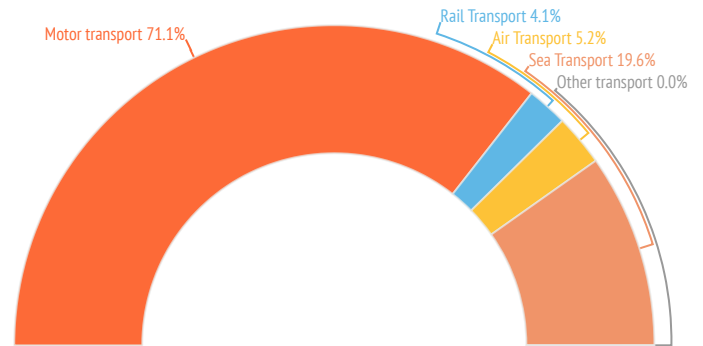
High growth was recorded in several export commodity groups: Hazelnuts and other nuts (45%), gold (41%), mineral and aerated waters, containing added sugar (29%), precious metal ores (17%), mineral and aerated waters, not containing sugar (17%), nitrogen fertilizers (12%) and motor cars (9%). Deterioration was recorded in precious Ferro-alloys (61%), natural wine (38%) and spirituous beverages (16%).

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



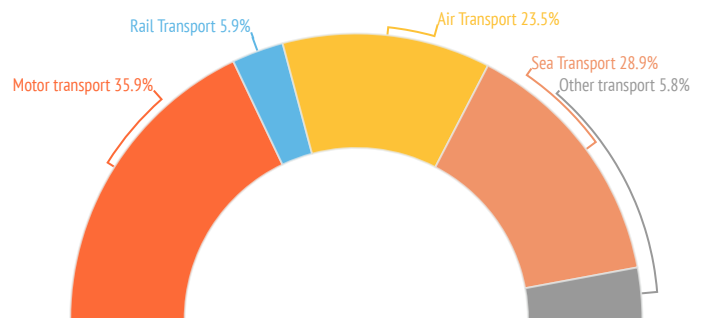
In January-February\* 2025, according to the modes of transport, the largest part of exports, 71.1% was carried out by motor transport, 19.6% - by sea, 5.2% - by air, and 4.1% by rail transport. The share of other types of transport (Pipelines, cables and other mode of transports) was 0.003%.

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



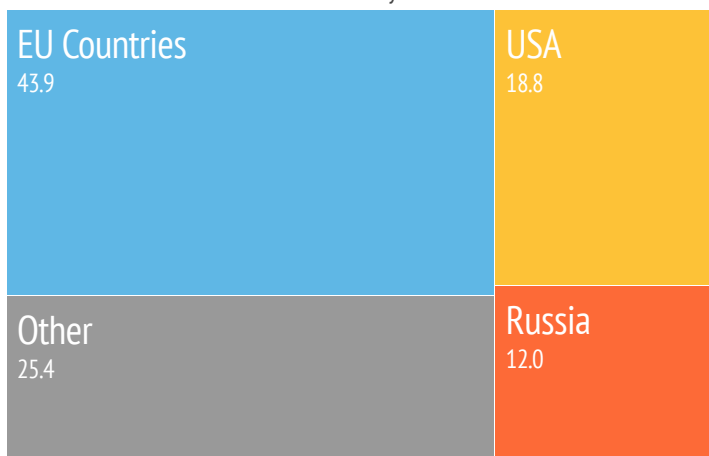
In January- February \*, according to the modes of transport, the largest part of imports, 35.9% was carried out by motor transport, 28.9% - by sea, 23.5% - by air, and 5.9% by rail transport. The share of other types of transportation amounted to 5.8%.

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

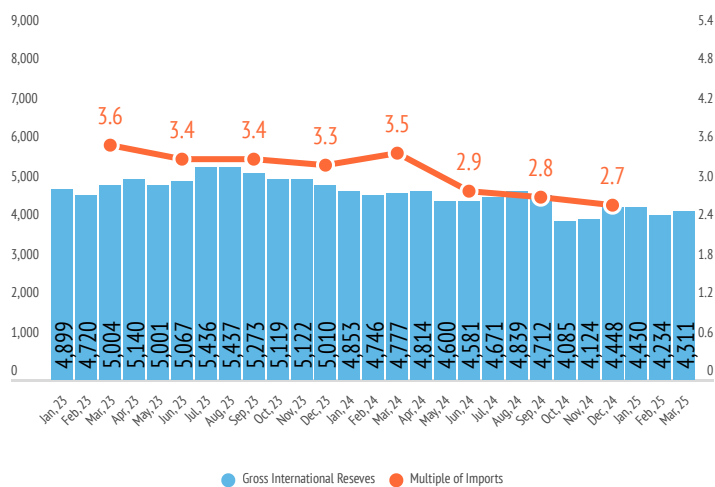


In January-February\*, domestic export from Georgia amounted 388.5 million USD, which is 1.3% lower YoY. Ten largest countries by domestic export from Georgia were the followings: Russia (17% of total domestic export), Turkey (10%), China (9%), Bulgaria (7%), Armenia (6%), Azerbaijan (5%), Switzerland (5%), Ukraine (3%), Italy (3%), Kazakhstan (3%).

Remittance (%)  
Inflows  
February



Gross International Reserves  
(Mln USD)



**In February 2025\*, remittances decreased.**

In February \*, remittances in Georgia decreased by 5.3% YoY and amounted to 252.3 million USD. The main source of money transfers were EU countries (110.7 mln USD, 43.9% of total) and the USA (47.3 mln USD, 18.8% of total). Remittances from Russia decreased by 44.7% and equaled 30.3 mln USD (12.0% of total). In terms of individual countries, remittances were significant from Italy (44.4 mln USD, 17.6% of total), Israel (21.7 mln USD), Germany (20.1 mln USD), Greece (19.5 mln USD), Turkey (8.2 mln USD), Kyrgyzstan (6.2 mln USD), Kazakhstan (6.2 mln USD) etc.

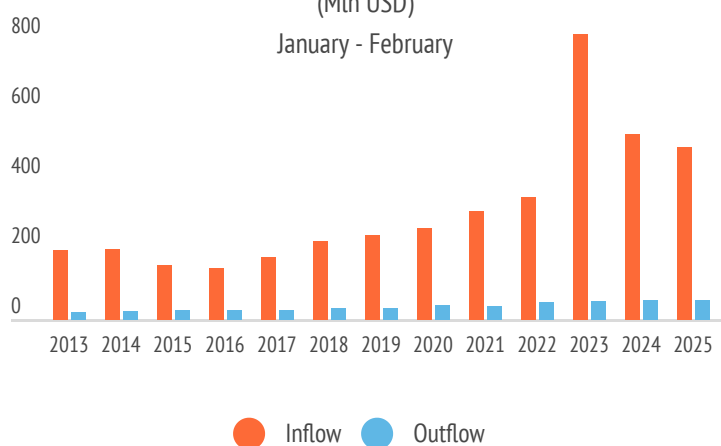
**In March 2025, international reserves reached 4,311 million USD.**

In March, international reserves amounted to 4,311 million USD, which is a 9.8% decrease YoY and 1.8% increase MoM.

In March 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](#).

Remittance  
(Mln USD)  
January - February



**In February\* 2025, compared to the same period of the previous year, monetary base increased.**

In February\*, monetary base increased by 28.3% YoY, including increased national currency in circulation by 14.5% and liabilities to other depository corporations by 43.3%.

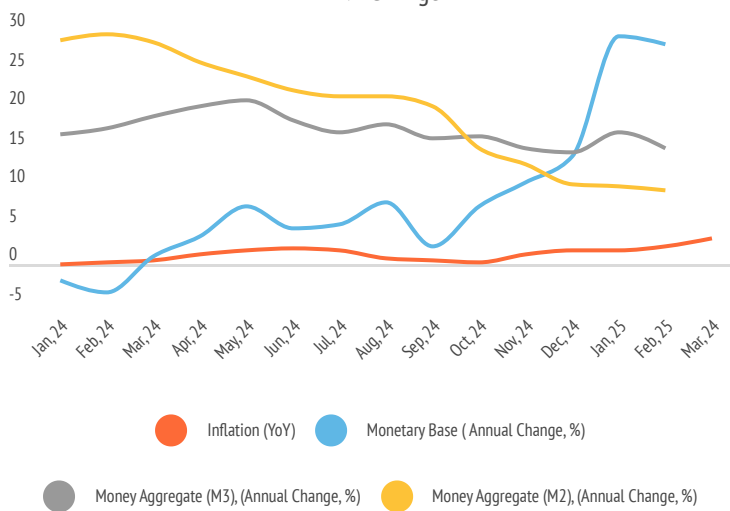
Money aggregate M2 increased by 9.5%, while money aggregate M3 increased by 14.8%. In March 2025, consumer price inflation amounted to 3.5% YoY.

In February\* 2025, the total volume of deposits amounted to 59,486.0 million GEL, which is 14.6% higher YoY. Among them, deposits in national currency made up 46.1%, while deposits in foreign currency made up 53.9% respectively.

According to the data available by the end of February\* 2025, 61.0% of deposits denominated in national currency belong to legal entities, and 39.0% to individuals.

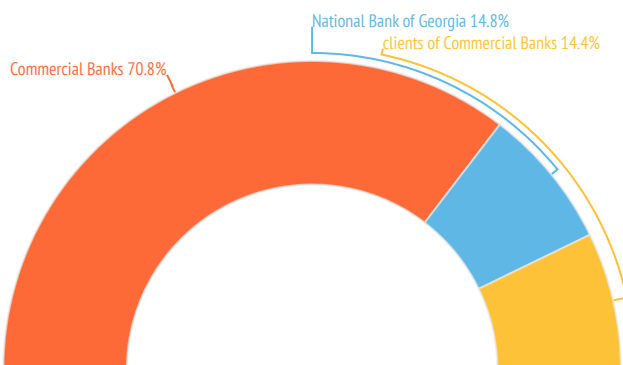
Herewith, 65.5% of foreign currency deposits were owned by individuals, and 34.5% - by legal entities.

Money Aggregates and Consumer Prices  
% Change

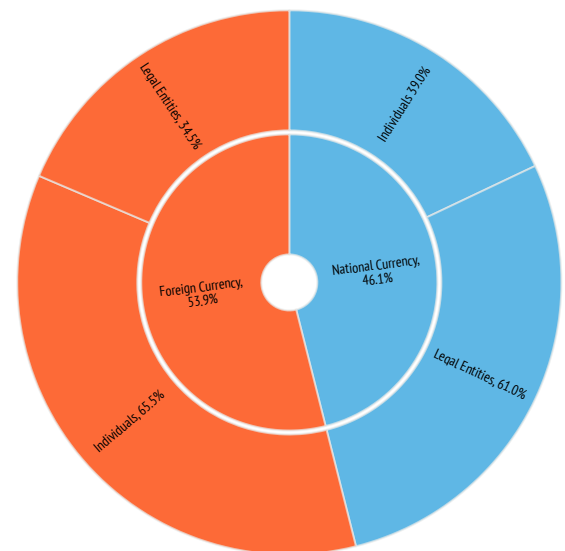


As of the end of March 2025, the nominal value of treasury securities issued by government was 10,268.4 million GEL. Among them, 70.8% is owned by commercial banks, 14.8% by the National Bank, and 14.4% by other resident and non-resident clients (resident - 13.0%, non-resident - 1.3%).

Treasury Securities  
(March)



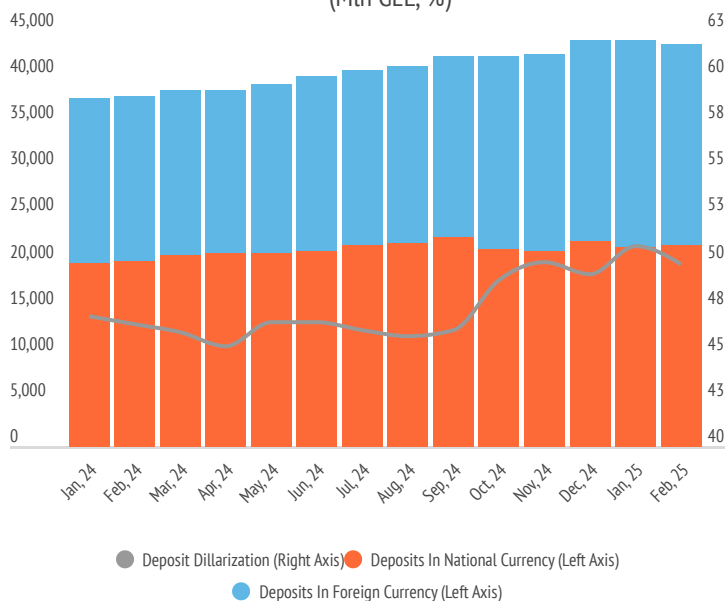
Deposits  
(February)



In addition, 52.2% of deposits denominated in national currency were time deposits, 25.8% - demand deposits and 22.0% - current accounts.

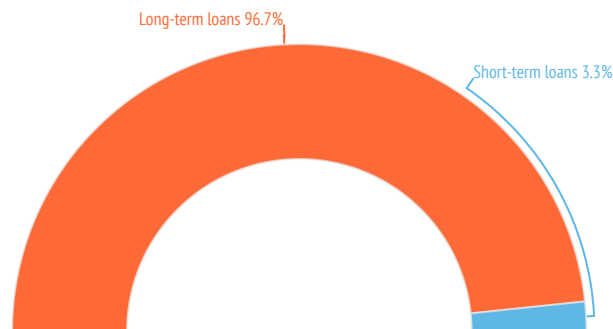
In the case of foreign currency, time deposits still hold the largest share (42.4%), followed by demand deposits (31.9%) and current accounts (25.7%).

Deposits and Dollarization  
(Mln GEL, %)



In February\* 2025, the volume of consumer loans amounted to 12,301.8 million GEL, which is 23.5% increase YoY. Among them, the share of long-term loans were 96.7%, while short-term loans comprised only 3.3%.

Consumer Loans  
(February)



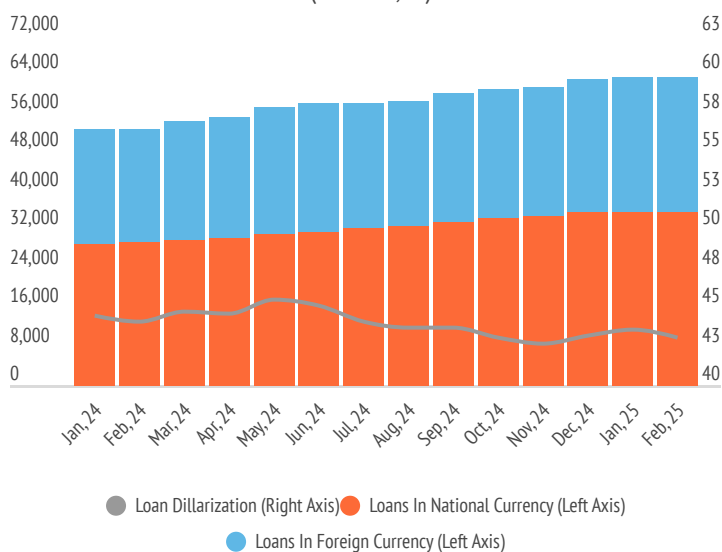
**In February\* 2025, the dollarization on both deposits and loans decreased MoM.**

In February\*, the deposit dollarization indicator decreased by 1.07 pp and amounted to 49.8% MoM, while loan dollarization decreased by 0.52 pp and made up to 43.1% MoM.

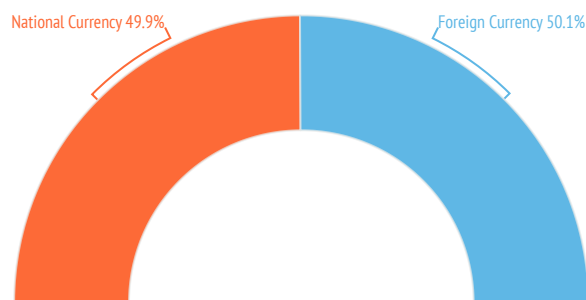
In February\*, national currency deposits increased by 0.7% MoM, while foreign currency deposits decreased by 3.5%.

During the same period, the volume of loans secured by real estate amounted to 40,386.9 million GEL, which is 18.2% higher YoY. Among them, the share of loans issued in national currency were 49.9%, while loans denominated in foreign currency were 50.1%.

Loans and Dollarization  
(Mln GEL, %)



Loans Secured by Real Estate  
(February)



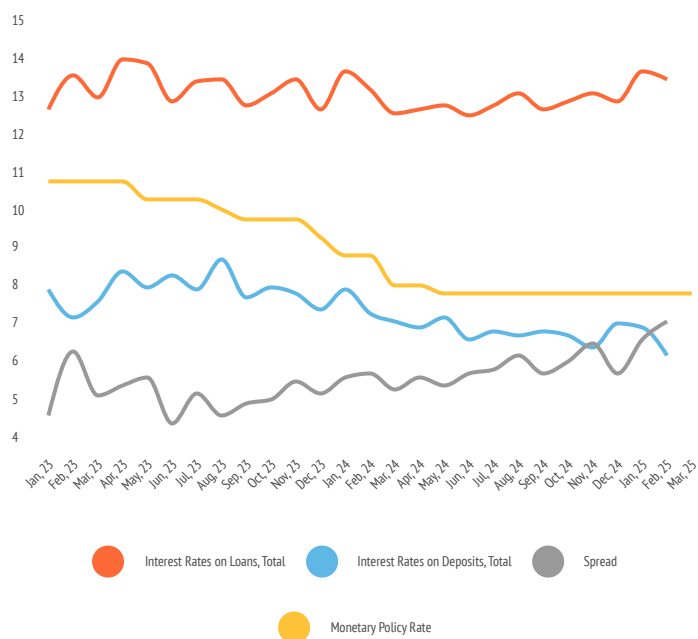
According to the data available by the end of February\* 2025, in terms of regions, 63.7% of loans issued by commercial banks denominated in national currency were granted in Tbilisi, 7.8% in Imereti, 7.4% in the Autonomous Republic of Adjara, 5.0% in Kakheti, 4.7% in Kvemo Kartli, 4.1% in Samegrelo-Zemo Svaneti. The share of loans issued in other regions is relatively small.

**In February\* 2025, decreased interest rates on loans by 0.2 pp, while on deposits decreased by 0.7 pp MoM.**

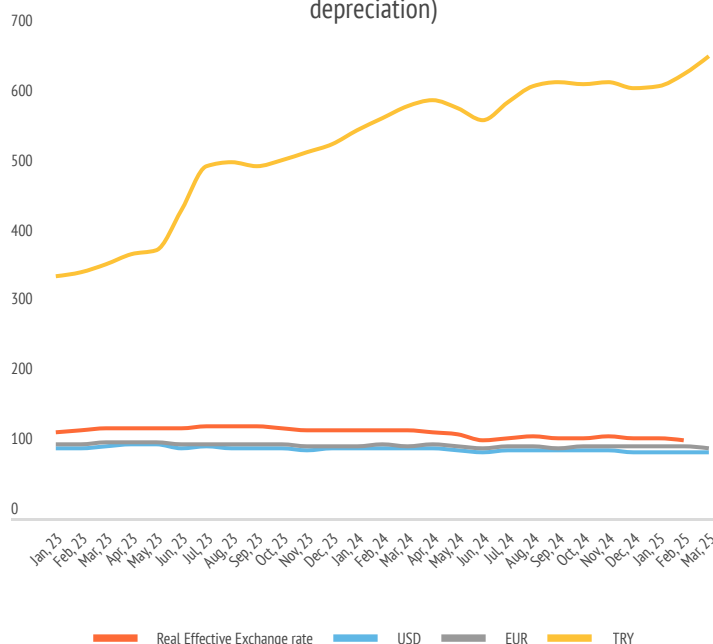
In February\* market interest rates on loans amounted to 13.7%, while interest rates on deposits were defined at 6.4%. The interest rate spread (difference between loan and deposit rates) amounted to 7.3% as of February\* 2025, 1.42 pp higher compared to the same indicator of February 2024.

On March 12, 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 March 2025, compared to the previous month, the GEL appreciated towards USD and depreciated towards EUR.**

In March, GEL appreciated against USD by 1.4% MoM, depreciated against EUR by 2.0% MoM, and appreciated against TRY by 4.1% MoM. In the analyzing period, the nominal effective exchange rate depreciated. In March, the GEL exchange rate depreciated by 3.5% YoY towards USD and by 2.8% YoY towards EUR, while appreciated by 11.9% YoY towards TRY.

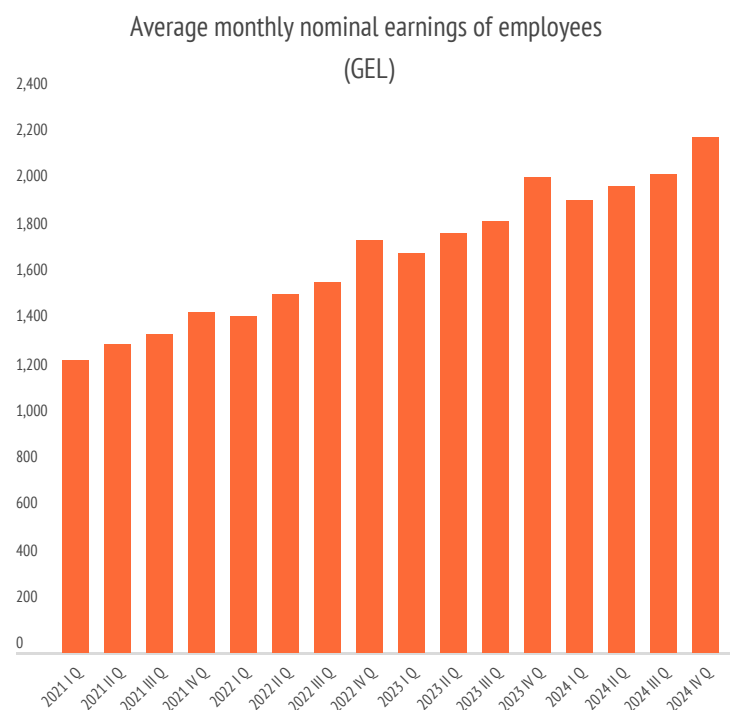
In particular, in February, the average exchange rate of the GEL against USD was 2.78, while it was 3.00 against EUR and 0.07 against TRY.

## 4. Social Sector

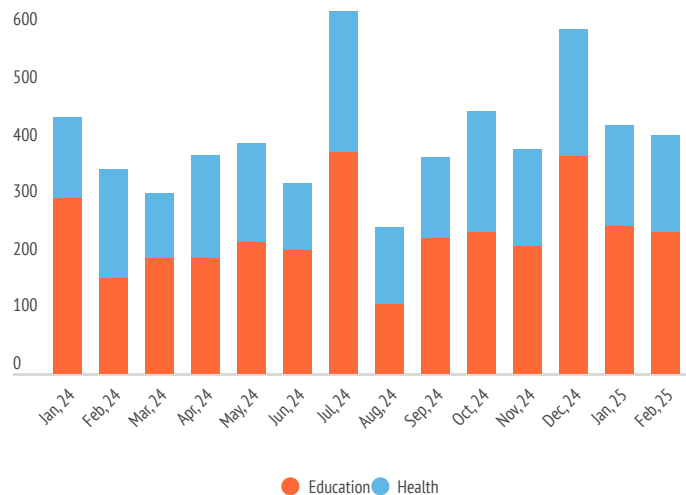
### In Q4\* 2024, average monthly nominal earnings of employees increased YoY.

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).



### Public Expenditure on Education and Healthcare (GEL Million)



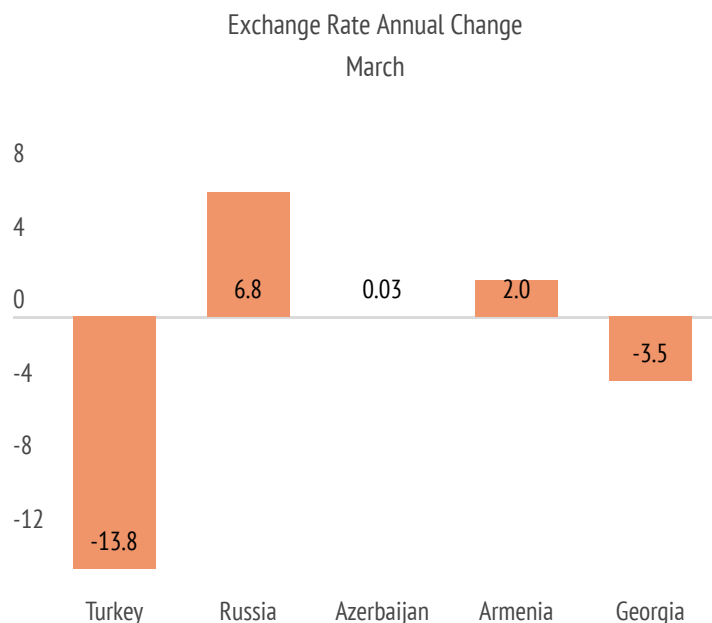
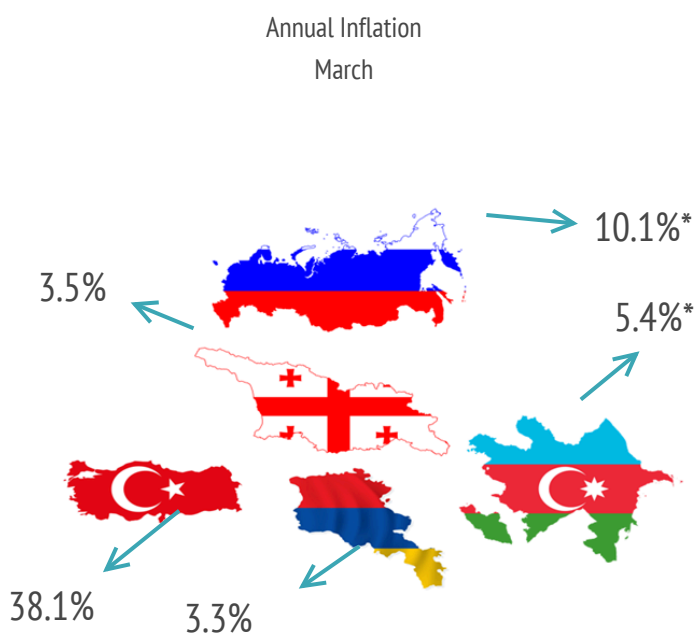
### In February\* 2025, public expenditures increased on education YoY and decreased on healthcare YoY.

In February\*, expenditure on education (as per functional classification) amounted to GEL 246.6 million, which is 45.8% increase YoY. Meanwhile, expenditures on healthcare amounted to GEL 169.0 million, 9.5% decreased YoY.

## 5. Regional Review

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

Namely, in March 2025, annual inflation amounted to 38.1% in Turkey and 3.3% in Armenia. As for Azerbaijan and Russia, in February\* 2025, consumer prices increased by 5.4% YoY and by 10.1% YoY, respectively.



**In March 2025, the currencies of the region countries stand out with a tendency of appreciation towards USD, except GEL and TRY.** Particularly, in March, GEL depreciated by 3.5% YoY towards USD. In the analyzing period TRY depreciated by 13.8% YoY toward USD, while RUB appreciated by 6.8% YoY toward USD, AZN by 0.03% YoY toward USD, AMD by 2.0% YoY toward USD.

## Summary Tables of Main Economic Indicators

	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25
GDP Growth Rate (%)	8.2	11.8	9.2	7.5	13.0	12.0	8.3	11.0	7.5	6.7	11.1	7.7	
VAT Turnover Growth Rate (%)	8.5	19.1	10.7	10.7	19.8	14.2	11.6	14.7	10.1	10.1	14.7	8.7	
Inflation (%)	0.5	1.5	2.0	2.2	1.8	1.0	0.6	0.3	1.3	1.9	2.0	2.4	3.5
Monetary Policy Rate (%)	8.25	8.25	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Deposit Dollarization (%)	0.47	0.46	0.45	0.47	0.47	0.46	0.46	0.47	0.49	0.50	0.49	0.51	
Loan Dollarization (%)	0.45	0.45	0.46	0.45	0.44	0.44	0.44	0.43	0.43	0.43	0.44	0.43	
Exchange Rate (GEL)	2.68	2.68	2.72	2.83	2.73	2.70	2.71	2.73	2.74	2.81	2.84	2.82	2.78
Remittances (Thousand USD)	280,934	278,515	284,309	281,091	298,118	290,567	283,385	281,060	266,696	285,395	242,440	252,282	
Export (USD Million)	523	437	501	581	684	642	616	682	543	549	404	432	
Import (USD Million)	1,228	1,452	1,413	1,360	1,568	1,456	1,442	1,550	1,507	1,689	1,629	1,103	
Trade Balance (USD Million)	-704.8	-1,015.0	-911.9	-779.2	-884.0	-813.9	-826.1	-868.0	-964.1	-1,139.7	-1,225.0	-671.9	
International Reserves (USD Million)	4,777	4,814	4,600	4,581	4,671	4,839	4,712	4,085	4,124	4,448	4,430	4,234	4,311
Revenues (GEL Million)	2,384	2,050	2,010	2,495	2,066	1,951	2,216	2,011	2,003	2,598	2,213	1,956	
Recurrent Expenditure (GEL Million)	1,558	1,904	1,697	1,587	2,193	1,531	1,599	1,937	1,721	2,648	1,932	1,851	
Capital Expenditure (GEL Million)	430	424	459	567	570	555	594	567	456	1,147	392	380	



Increase



Decrease



Change &lt; 1%

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

		03.2024	04.2024	05.2024	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025
<b>Real Sector</b>	GDP Growth Rate													
	VAT Turnover Growth Rate													
<b>Monetary Sector</b>	Inflation													
	Monetary Policy Rate													
	Deposit Dollarization													
	Loan Dollarization													
<b>External Sector</b>	Exchange Rate													
	Remittances													
	Export													
	Import													
	Trade Balance													
	International Reserves													
<b>Fiscal Sector</b>	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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

		03.2024	04.2024	05.2024	06.2024	07.2024	8.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025
<b>Real Sector</b>	GDP Growth Rate													
	VAT Turnover Growth Rate													
<b>Monetary Sector</b>	Inflation													
	Monetary Policy Rate													
	Deposit Dollarization													
	Loan Dollarization													
<b>External Sector</b>	Exchange Rate													
	Remittances													
	Export													
	Import													
	Trade Balance													
	International Reserves													
<b>Fiscal Sector</b>	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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