



Parliament of Georgia

Monthly Macroeconomic **Review**

October, 2025

Parliamentary Budget Office
of Georgia

2025

November

Main Macroeconomic indicators of October, 2025

Real GDP Growth

6.4%



September*

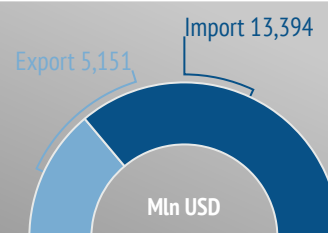
Real GDP Growth
January - September*

7.7%

In October 2025, annual CPI inflation amounted to 5.2%, while annual core inflation was observed at 2.4%.



In January - September* 2025, goods exports increased by 7.7%, while imports increased by 9.7% YoY.



In September* 2025, money transfers amounted to 317.8 million USD.

EU countries - 45.4%;

USA - 18.8%;

Russia - 12.4%;

Other countries - 23.4%.



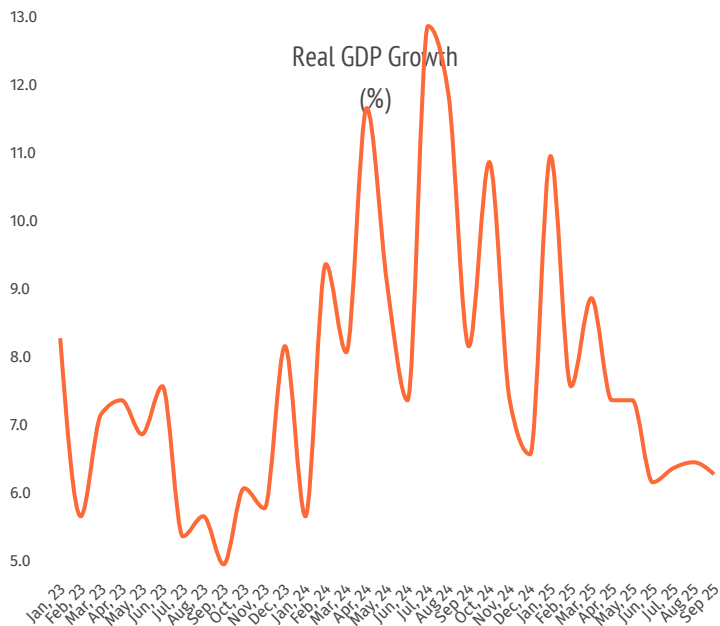
In September* 2025, the dollarization increased on deposits and decreased on loans MoM.



In October 2025, GEL depreciated against USD (by 0.3%) and appreciated against EUR (by 0.3%) MoM.



1. Real and Fiscal Sector

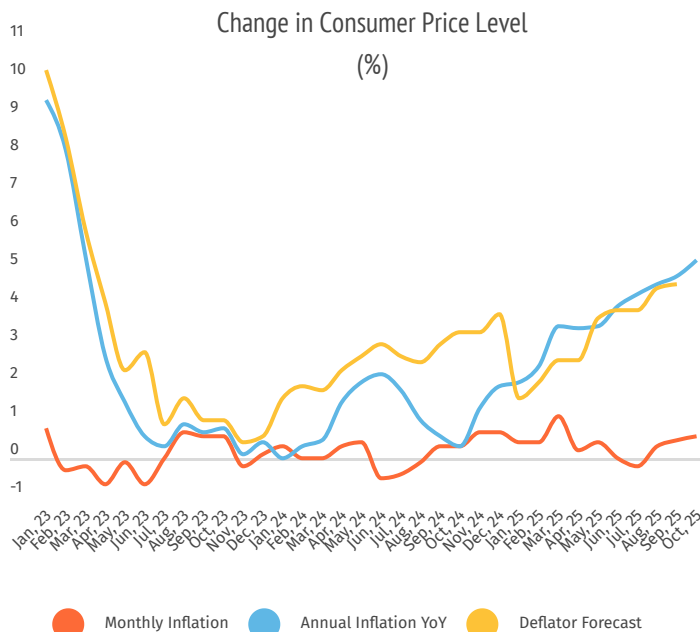
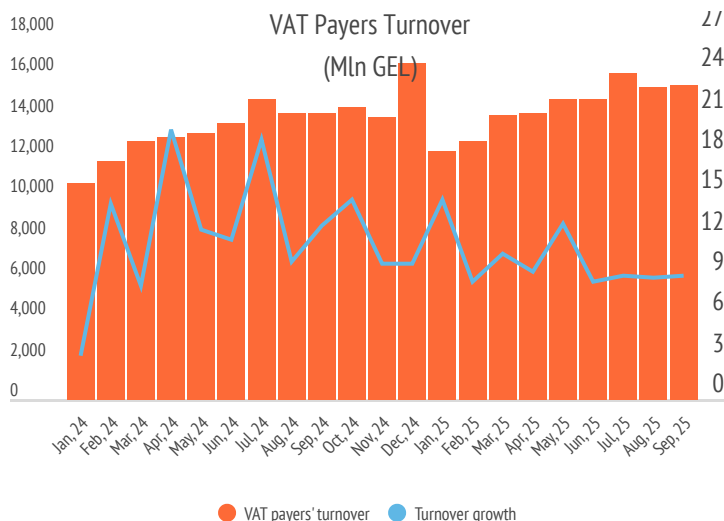


In September* 2025, positive annual economic growth was recorded at 6.4%.

In accordance with the preliminary estimates of GEOSTAT, in September*, annual real GDP growth rate amounted to 6.4% YoY, and the average growth for past eight month equaled to 7.7%.

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

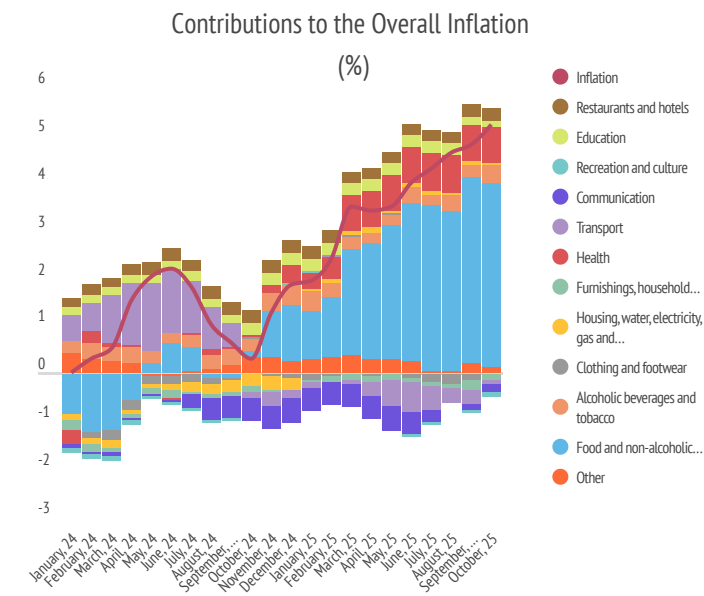
In September* 2025, the rate of VAT turnover of enterprises amounted to 15,404.9 million GEL, which is 9.2% higher YoY.

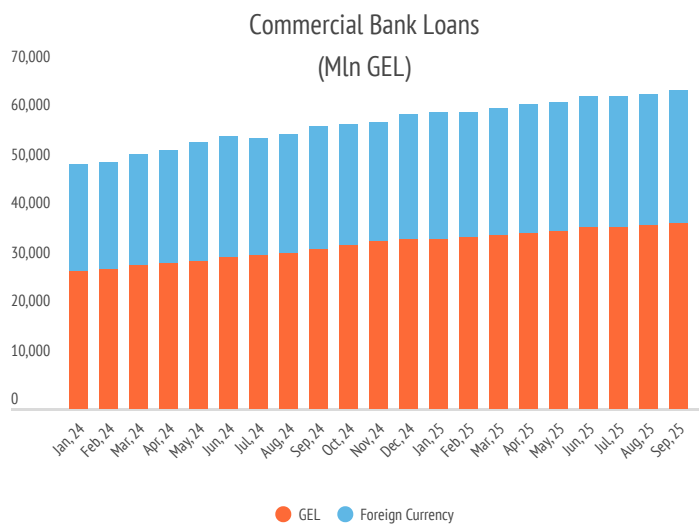
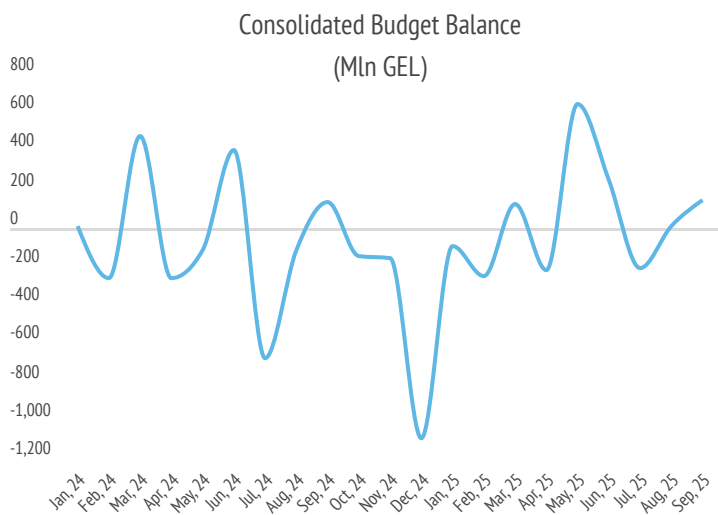


In October 2025, annual CPI inflation amounted to 5.2% YoY.

In October, the inflation rate amounted to 5.2% 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. With regard to the annual core inflation in October (excluded food and non-alcoholic beverages, energy, tobacco, regulated tariffs, transport (specific tariffs), the prices increased by 2.4% YoY.

In September* 2025, the annual forecasted GDP deflator amounted to 4.6%.





In September* 2025, the general government net lending/borrowing was positive.

In September* 2025, general government revenues increased by 12.8% YoY, while expenses increased by 15.4% YoY. In the analyzing period, the general government positive net operating balance amounted to 654.1 million GEL, while net lending/borrowing was defined at 146.7 million GEL.

Worth noting, that in September* 2025, tax revenues amounted to 2,262.1 million GEL, which is 12.1% upper YoY. Significant increase was observed in property tax (13.4%), and income tax (13.3%), VAT taxes (13.0%) and excise tax (11.6%). While decrease was observed in profit tax (5.8%) and custom duties (0.4%). Direct taxes comprised 45.3% of total taxes, while indirect taxes are 54.7%.

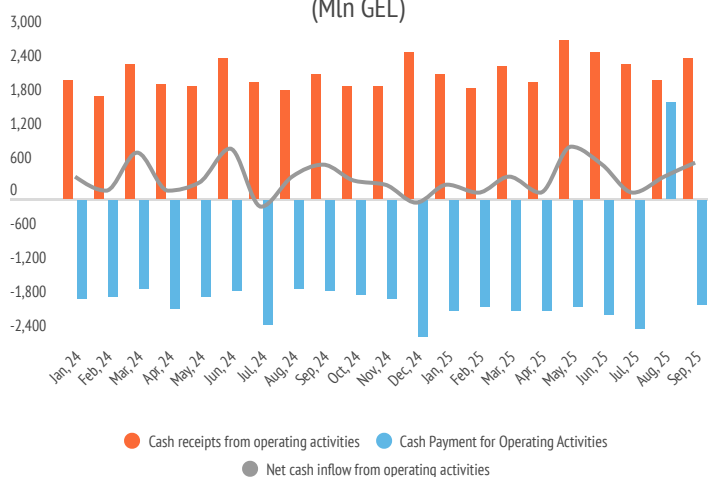
In September*, purchasing of non-financial assets decreased by 2.6% YoY (GEL 15.2 million less).

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

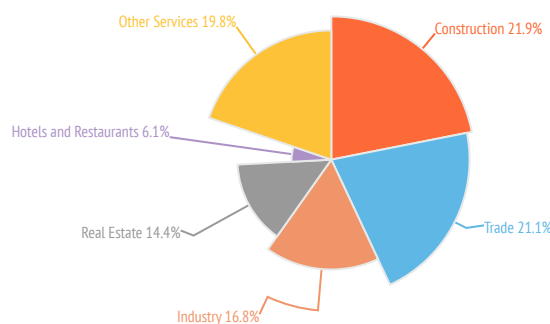
In September*, commercial bank loans to the national economy increased by 13.2% YoY and amounted to 65,119.2 million GEL. National currency loans increased by 16.0%, while foreign currency loans increased by 9.4%. As a result, dollarization of whole commercial bank loans made up to 42.1%. It is worth mentioning, that more than half of total loans (54.0%) was distributed to households (85.0% of household loans were granted to individuals, and 15.0% to entrepreneurs). 38.0% of the issued loans are consumer loans, and 62.0% are secured by real estate.

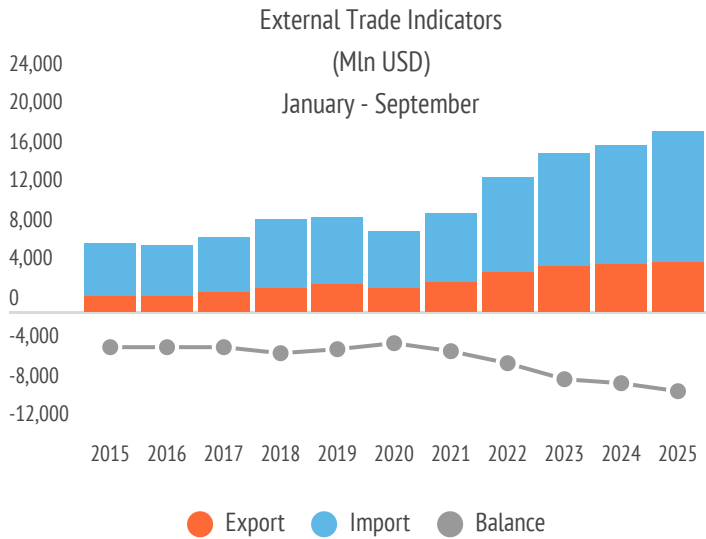
As for loans issued by types of activity, the highest 21.9% was issued in construction, 21.1% in trade, 16.8% in industry, 14.4% in real estate and 6.1% in the field of hotels and restaurants.

Receipts and Payments (Mln GEL)



Loans by Types of Activity (Stocks)



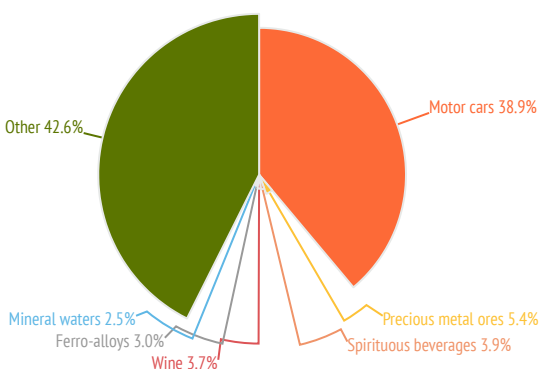


In January-September* 2025, compared to the same period of the previous year, export of goods as well as imports increased.

In January- September*, export of goods increased by 7.7%, while imports increased by 9.7% YoY. As a result, trade turnover amounted to 18,545.0 million USD (9.1% increase YoY). During this period, the share of exports in external trade amounted to 27.8%. Export growth was substantial in the following countries: Tajikistan (316%), Bulgaria (190%), Uzbekistan (56%), Kyrgyzstan (19%), Russia (4%), Kazakhstan (4%), etc. In addition, exports decreased in Turkey (32%), Armenia (16%), China (7%), Azerbaijan (3%), etc.

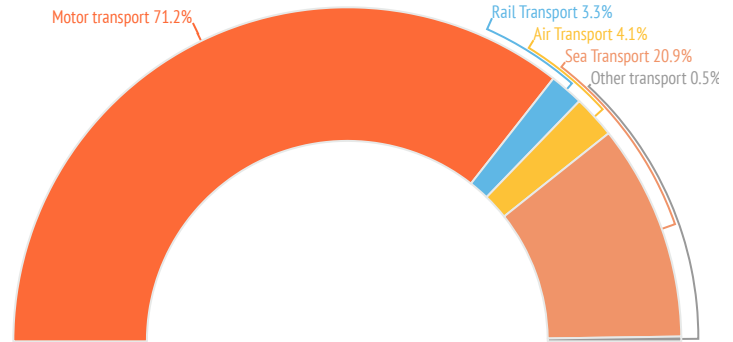
High growth was recorded in several export commodity groups: precious metal ores (63%), mineral and aerated waters, containing added sugar (22%), motor cars (14%), gold (13%), nitrogen fertilizers (12%), medicaments put up in measured doses (7%) and mineral and aerated waters, not containing sugar (1%). Deterioration was recorded in Ferro-alloys (33%), natural wine (12%) and spirituous beverages (5%).

Major Commodity Groups by Exports (January - September)



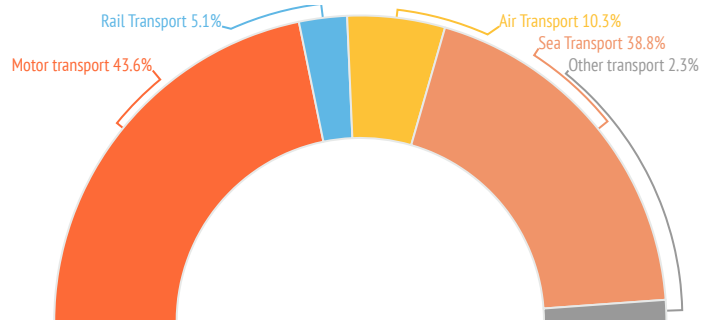
In January-September* 2025, according to the modes of transport, the largest part of exports, 71.2% was carried out by motor transport, 20.9% - by sea, 4.1% - by air, and 3.3% by rail transport. The share of other types of transport (Pipelines, cables and other mode of transports) was 0.5%.

Export by Mode of Transport (January - September)



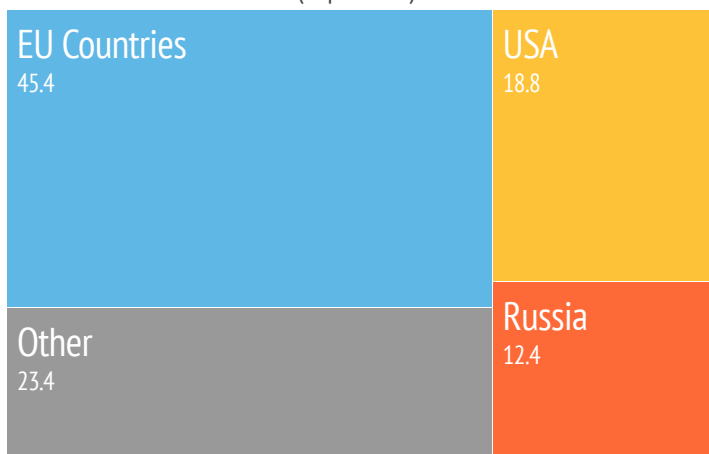
In January-September*, according to the modes of transport, the largest part of imports, 43.6% was carried out by motor transport, 38.8% - by sea, 10.3 - by air, and 5.1% by rail transport. The share of other types of transportation amounted to 2.3%.

Import by Mode of Transport (January - September)

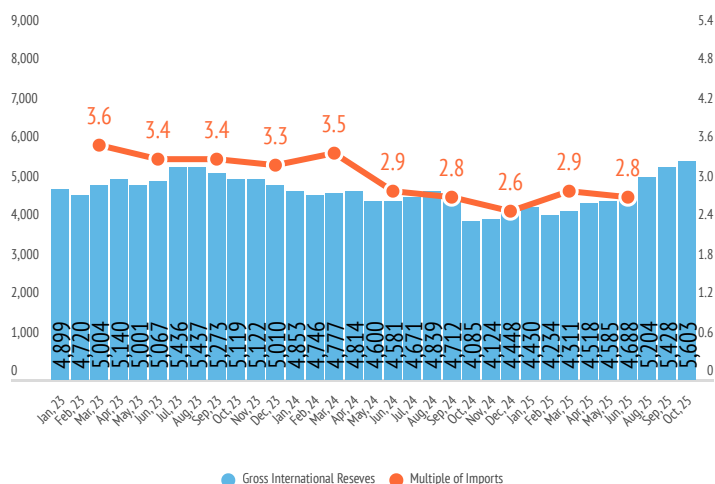


In January-September*, domestic export from Georgia amounted 2,348.8 million USD, which is 7.5% upper YoY. Ten largest countries by domestic export from Georgia were the followings: Russia (22% of total domestic export), Turkey (9%), China (8%), Bulgaria (8%), Armenia (6%), Azerbaijan (6%), Switzerland (3%), Kazakhstan (3%), Italy (3%) and USA (3%).

Remittance (%)
Inflows
(September)



Gross International Reserves
(Mln USD)



In September 2025*, remittances increased.

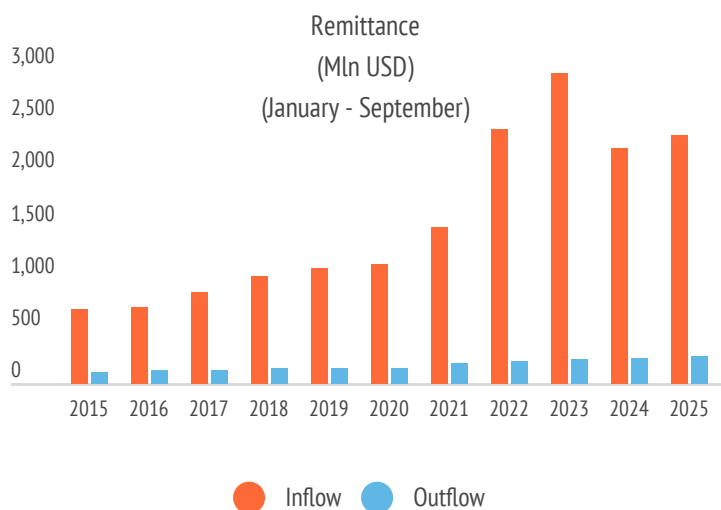
In September*, remittances in Georgia increased by 12.1% YoY and amounted to 317.8 million USD. The main source of money transfers were EU countries (144.3 mln USD, 45.4% of total) and the USA (59.7 mln USD, 18.8% of total). Remittances from Russia increased by 10.2% and equaled 39.5 mln USD (12.4% of total). In terms of individual countries, remittances were significant from Italy (54.1 mln USD, 17.0% of total), Germany (29.8 mln USD), Greece (26.0 mln USD), Israel (23.3 mln USD), Turkey (10.3 mln USD), Kyrgyzstan (8.6 mln USD), Spain (7.7 mln USD) etc.

In October 2025, international reserves reached 5,603million USD.

In October, international reserves amounted to 5,603 million USD, which is a 37.2% increase YoY and 3.2% increase MoM.

In October 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](#).



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

In September*, monetary base increased by 17.9% YoY, including increased national currency in circulation by 7.8% and liabilities to other depository corporations by 29.8%.

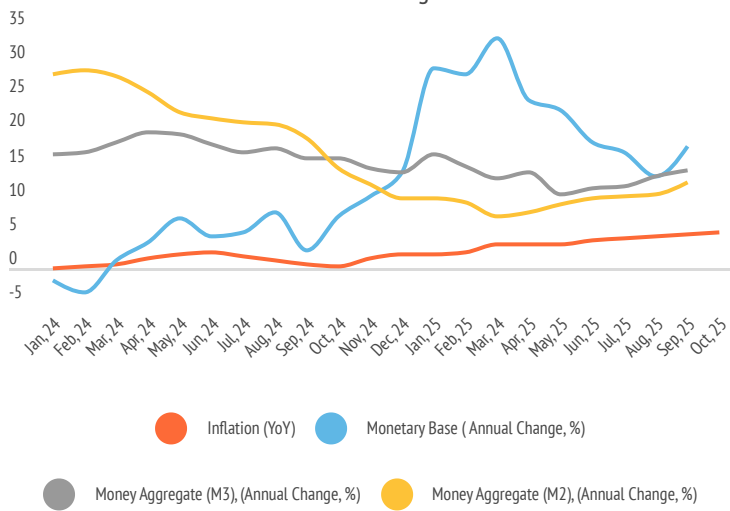
Money aggregate M2 increased by 12.5%, while money aggregate M3 increased by 14.2%. In October 2025, consumer price inflation amounted to 5.2% YoY.

In September* 2025, the total volume of deposits amounted to 67,272.0 million GEL, which is 13.6% higher YoY. Among them, deposits in national currency made up 50.1%, while deposits in foreign currency made up 49.9% respectively.

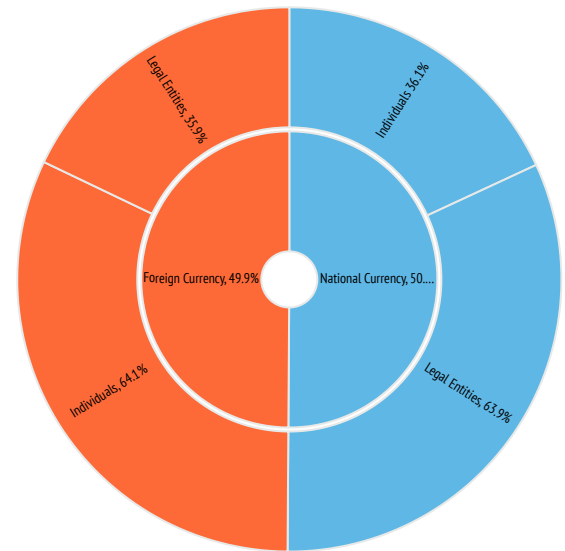
According to the data available by the end of September* 2025, 63.9% of deposits denominated in national currency belong to legal entities, and 36.1% to individuals.

Herewith, 64.1% of foreign currency deposits were owned by individuals, and 35.9% - by legal entities.

Money Aggregates and Consumer Prices
% Change

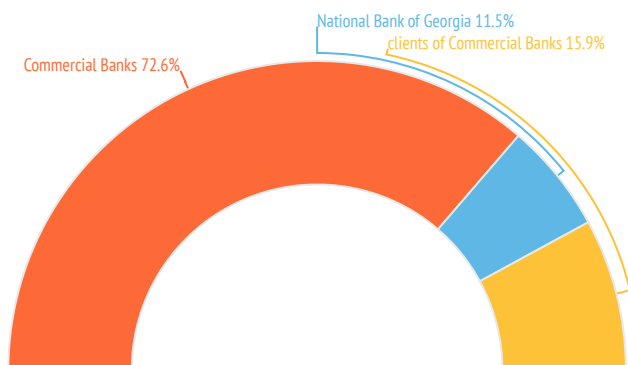


Deposits
(September)



As of the end of October 2025, the nominal value of treasury securities issued by government was 10,991.4 million GEL. Among them, 72.6% is owned by commercial banks, 11.5% by the National Bank, and 15.9% by other resident and non-resident clients (resident - 14.2%, non-resident - 1.6%).

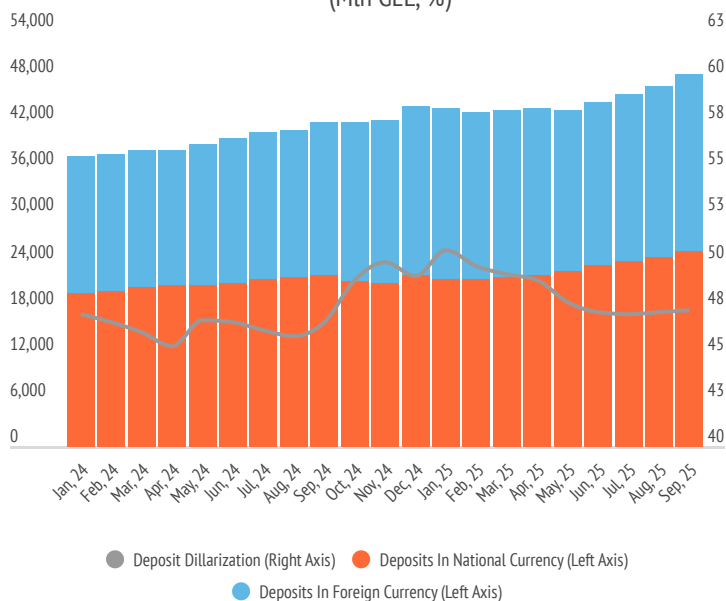
Treasury Securities
(October)



In addition, 53.4% of deposits denominated in national currency were time deposits, 23.8% - demand deposits and 22.9% - current accounts.

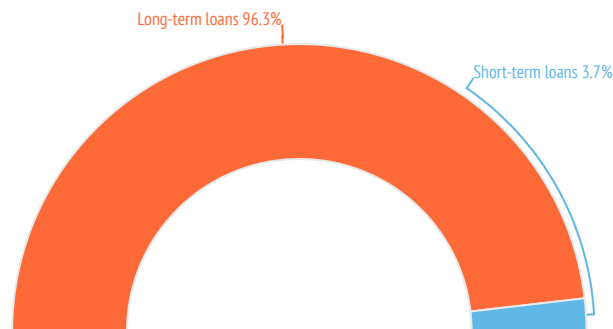
In the case of foreign currency, time deposits still hold the largest share (41.2%), followed by demand deposits (33.5%) and current accounts (25.3%).

Deposits and Dollarization
(Mln GEL, %)



In September* 2025, the volume of consumer loans amounted to 13,905.7 million GEL, which is 22.5% increase YoY. Among them, the share of long-term loans were 96.7%, while short-term loans comprised only 3.3%.

Consumer Loans
(September)



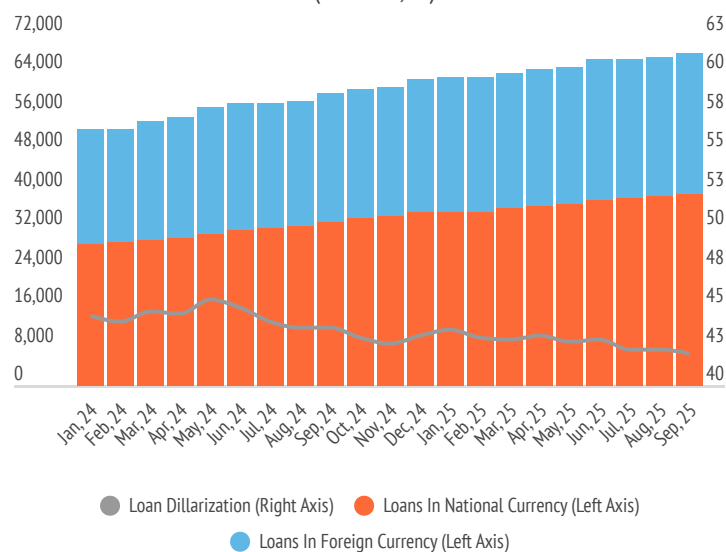
In September* 2025, the dollarization increased on deposits and decreased on loans MoM.

In September*, the deposit dollarization indicator increased by 0.07 pp and amounted to 47.4% MoM, while loan dollarization decreased by 0.17 pp and made up to 42.1% MoM.

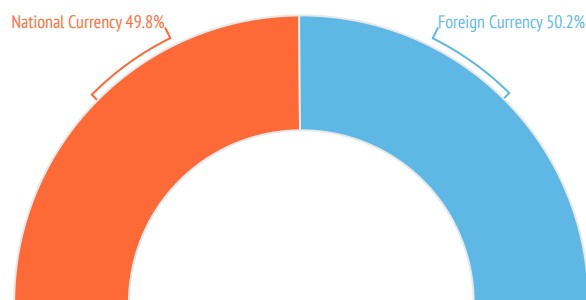
During the same period, the volume of loans secured by real estate amounted to 44,213.5 million GEL, which is 12.8% higher YoY. Among them, the share of loans issued in national currency were 49.8%, while loans denominated in foreign currency were 50.2%.

In September*, national currency deposits increased by 3.4% MoM, while foreign currency deposits increased by 3.7%.

Loans and Dollarization
(Mln GEL, %)



Loans Secured by Real Estate
(September)



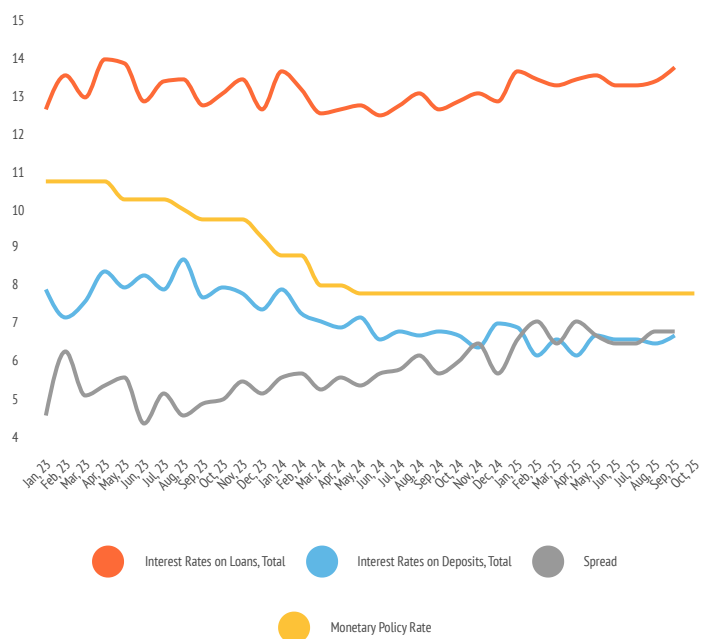
According to the data available by the end of September* 2025, in terms of regions, 64.0% of loans issued by commercial banks denominated in national currency were granted in Tbilisi, 7.6% in Imereti, 7.3% in the Autonomous Republic of Adjara, 4.9% in Kakheti, 4.7% in Kvemo Kartli, 4.2% in Samegrelo-Zemo Svaneti. The share of loans issued in other regions is relatively small.

In September* 2025, increased interest rates on loans by 0.31 pp and increased rates on deposits by 0.24 pp MoM.

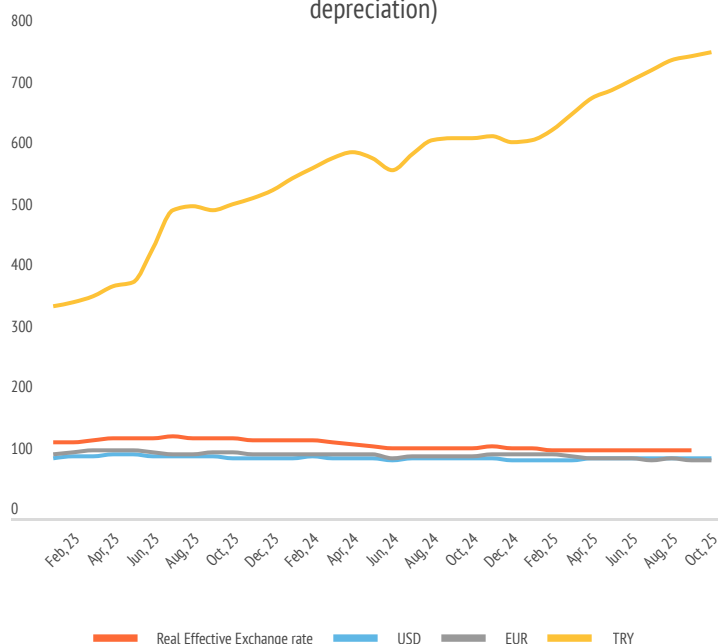
In September* market interest rates on loans amounted to 14.0%, while interest rates on deposits were defined at 6.9%. The interest rate spread (difference between loan and deposit rates) amounted to 7.0% as of August* 2025, 1.20 pp higher compared to the same indicator of September 2024.

On September 10, 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 October 2025, compared to the previous month, the GEL depreciated towards USD and appreciated towards EUR.

In October, GEL depreciated against USD by 0.3% MoM, appreciated against EUR by 0.3% MoM, and appreciated against TRY by 0.9% MoM. In the analyzing period, the nominal effective exchange rate depreciated. In October, the GEL exchange rate appreciated by 0.4% YoY towards USD and depreciated by 5.9% YoY towards EUR, while appreciated by 22.6% YoY towards TRY.

In particular, in October, the average exchange rate of the GEL against USD was 2.72, while it was 3.16 against EUR and 0.06 against TRY.

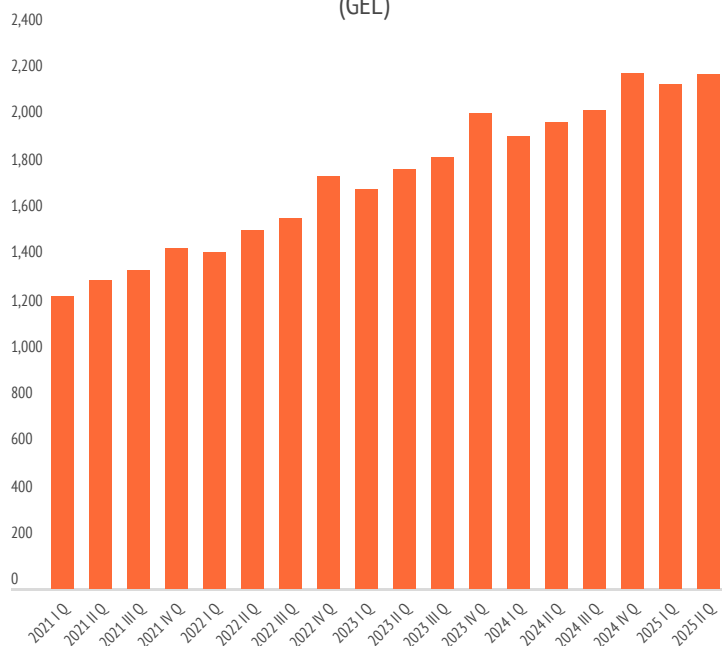
4. Social Sector

In Q2* 2025, average monthly nominal earnings of employees increased YoY.

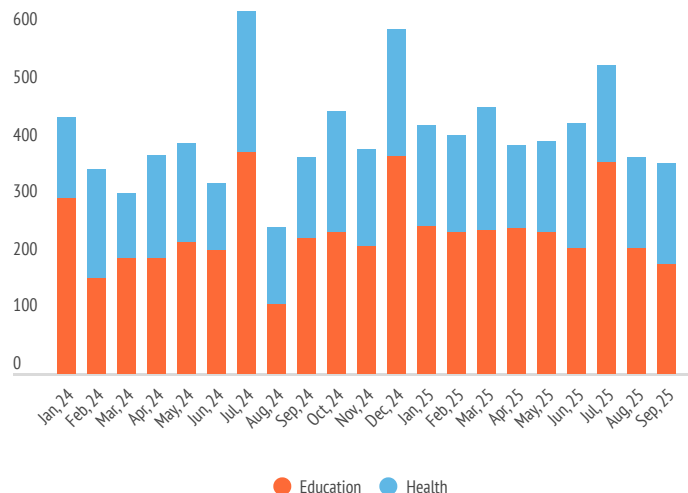
In Q2* 2025, the average monthly nominal earnings of employees amounted to 2,212.0 GEL, which is 10.3% increase YoY (207.1 GEL more). Compared to the previous quarter the indicator increased by 1.9%, which is 41.9 GEL more.

As for the change in the average monthly nominal earnings of employees by sector, in the II quarter of 2025, the highest average monthly salary was recorded in the field of information and communication (4,176.5 GEL; 5.4% increase YoY), as well as financial and insurance activities (3,732.2 GEL; 2.5% increase YoY), in the field of construction (3,467.7 GEL; 17.7% increase YoY) and professional, scientific and technical activities (2,995.3 GEL; 4.3% increase YoY).

Average monthly nominal earnings of employees (GEL)



Public Expenditure on Education and Healthcare (GEL Million)



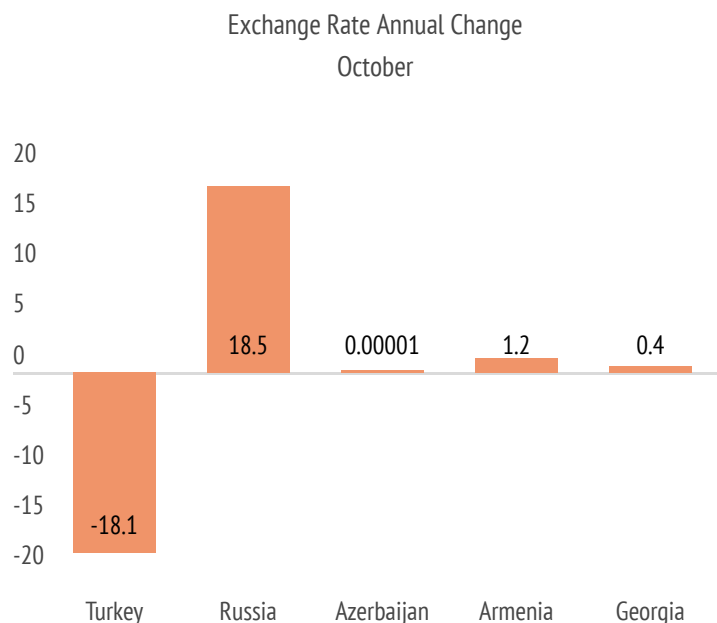
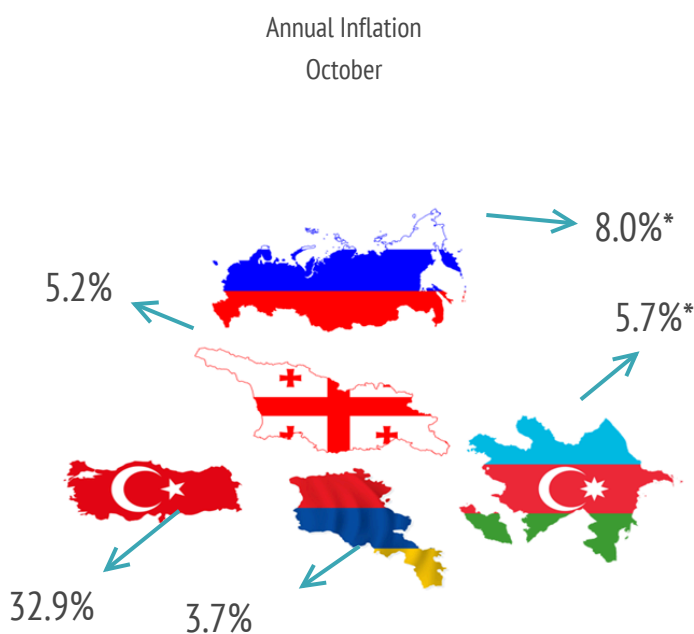
In September* 2025, public expenditures decreased on education and increased healthcare YoY.

In September*, expenditure on education (as per functional classification) amounted to GEL 192.8 million, which is 18.7% decreased YoY. Meanwhile, expenditures on healthcare amounted to GEL 175.4 million, 24.1% increased YoY.

5. Regional Review

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

Namely, in October 2025, annual inflation amounted to 32.9% in Turkey and 3.7% in Armenia. As for Azerbaijan and Russia, in September* 2025, consumer prices decreased by 5.7% YoY and by 8.0% YoY, respectively.



In October 2025, the currencies of the region countries stand out with a tendency of appreciation, except TRY.

Particularly, in October, GEL appreciated by 0.4% YoY towards USD. In the analyzing period TRY depreciated by 18.1% YoY toward USD, while RUB appreciated by 18.5% YoY toward USD, AMD by 1.2% YoY toward USD, AZN by 0.00001% YoY toward USD.

Summary Tables of Main Economic Indicators

	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25
GDP Growth Rate (%)	11.0	7.5	6.7	11.1	7.7	9.0	7.5	7.5	6.3	6.5	6.6	6.4	
VAT Turnover Growth Rate (%)	14.7	10.1	10.1	14.7	8.7	10.8	9.4	13.0	8.7	9.2	9.0	9.2	
Inflation (%)	0.3	1.3	1.9	2.0	2.4	3.5	3.4	3.5	4.0	4.3	4.6	4.8	5.2
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 (%)	0.47	0.49	0.50	0.49	0.51	0.50	0.49	0.49	0.48	0.47	0.47	0.47	
Loan Dollarization (%)	0.43	0.43	0.43	0.44	0.43	0.43	0.43	0.43	0.43	0.42	0.42	0.42	
Exchange Rate (GEL)	2.73	2.74	2.81	2.84	2.82	2.78	2.75	2.74	2.73	2.71	2.70	2.71	2.72
Remittances (Thousand USD)	281,060	266,696	285,395	242,440	252,282	291,863	295,541	317,421	315,507	336,988	321,548	317,792	
Export (USD Million)	682	543	549	404	432	562	617	580	640	610	603	703	
Import (USD Million)	1,506	1,476	1,699	1,704	1,232	1,519	1,522	1,481	1,503	1,586	1,406	1,440	
Trade Balance (USD Million)	-824.4	-933.3	-1,149.3	-1,299.9	-800.9	-956.5	-905.6	-901.0	-862.4	-975.8	-802.9	-737.3	
International Reserves (USD Million)	4,085	4,124	4,449	4,436	4,234	4,311	4,518	4,585	4,688	5,020	5,204	5,428	5,603
Revenues (GEL Million)	2,011	2,003	2,598	2,213	1,956	2,372	2,059	2,819	2,609	2,387	2,117.9	2,499.4	
Recurrent Expenditure (GEL Million)	1,937	1,721	2,648	1,932	1,851	1,955	1,940	1,872	2,000	2,252	1,724.8	1,845.3	
Capital Expenditure (GEL Million)	567	456	1,147	392	380	406	397	332	454	371	400.2	578.5	



Increase



Decrease



Change < 1%

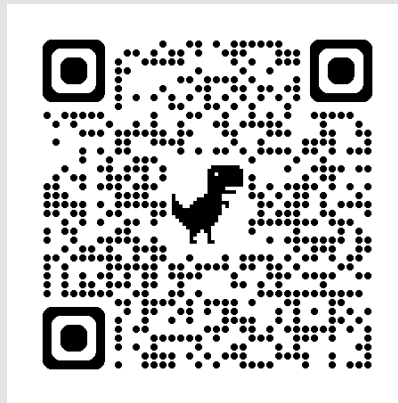
Comparison of key economic indicators with similar data for the corresponding month of last year

		10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	6.2025	7.2025	8.2025	9.2025	10.2024
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													
	International Reserves													
Fiscal Sector	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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

		10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	6.2025	7.2025	8.2025	9.2025	10.2024
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													
	International Reserves													
Fiscal Sector	Revenues													
	Recurrent Expenditure													
	Capital Expenditure													

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