

BAG INDEX

EMPLOYMENT
BAROMETER



საქართველოს ბიზნეს ასოციაცია
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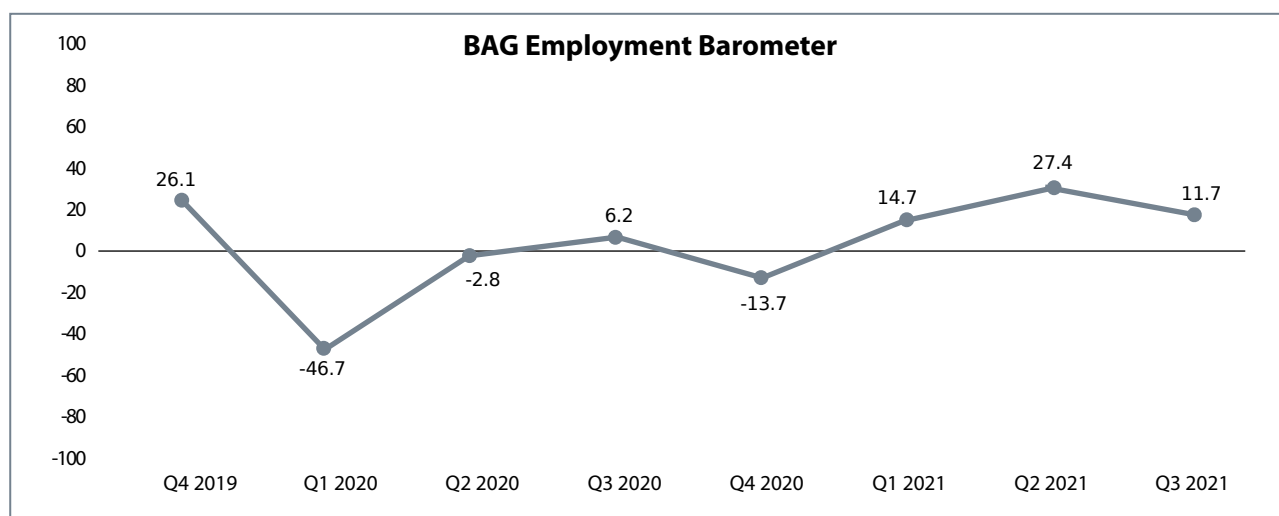
Research

III QUARTER 2021

BAG EMPLOYMENT BAROMETER

The BAG Employment Barometer reflects companies' expectations regarding changes in employment in the next three months.¹

IN Q3 OF 2021, THE SURVEYED BUSINESSES GENERALLY HAD A POSITIVE OUTLOOK REGARDING EMPLOYMENT FOR THE NEXT THREE MONTHS. THE BAG EMPLOYMENT BAROMETER AMOUNTED TO 11.7 POINTS, MARKING AN IMPROVEMENT, COMPARED THE Q3 OF 2021 (BY 5.5 POINTS), WHILE, COMPARED TO THE Q2 OF 2021 IT WORSENE SIGNIFICANTLY (BY 15.7 POINTS).



Graph 1: BAG Employment Barometer

In Q3 of 2021, the BAG Employment Barometer was positive for all sectors, except the service sector. In Q3 of 2021, compared to Q2 of 2021, the employment barometer indicator improved in the trade and construction sectors, while it worsened in the service and manufacturing sectors (see Graph 2).

In Q3 of 2021, compared to Q2 of 2021, the improvement in the employment barometer indicator in the trade and construction sectors stemmed from optimistic expectations for the future regarding sales.

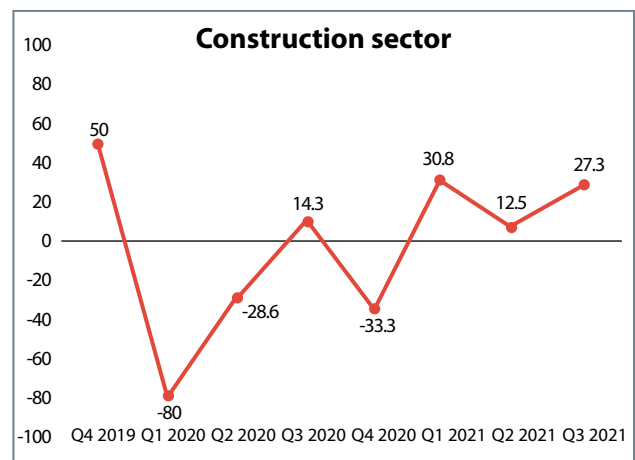
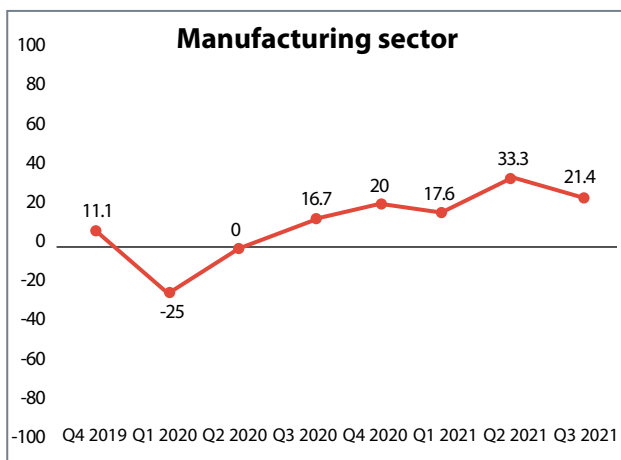
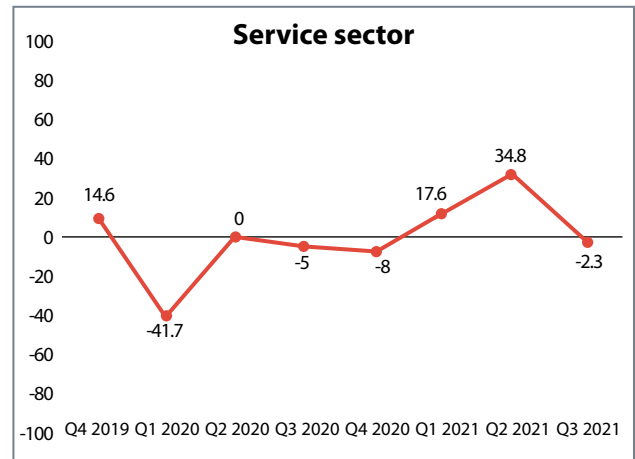
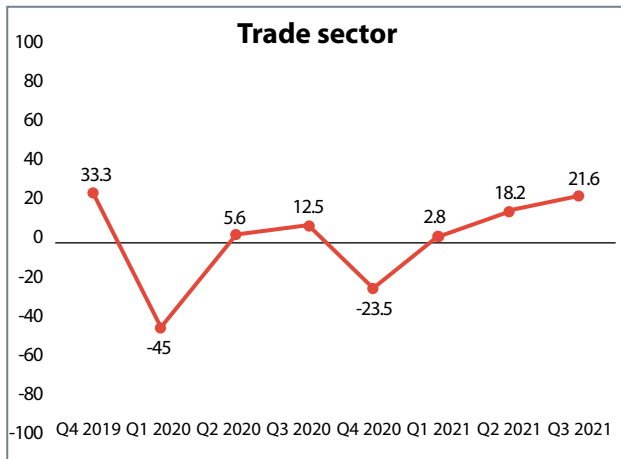
In the manufacturing sector, the employment barometer indicator is positive for Q3 of 2021, however, compared to the previous quarter, fewer companies are now planning to increase their number of employees in the following three months. In the service sector, the majority of companies (84%) are not planning a change in employment, while 9% expect a decrease.

From a year-on-year perspective, it is worth noting that in Q3 of 2021, compared to Q3 of 2020, the employment barometer improved for all of the reviewed sectors. The biggest improvement was recorded in the construction sector (by 13 percentage points), while the smallest improvement was recorded in the service sector (2.7 percentage points).

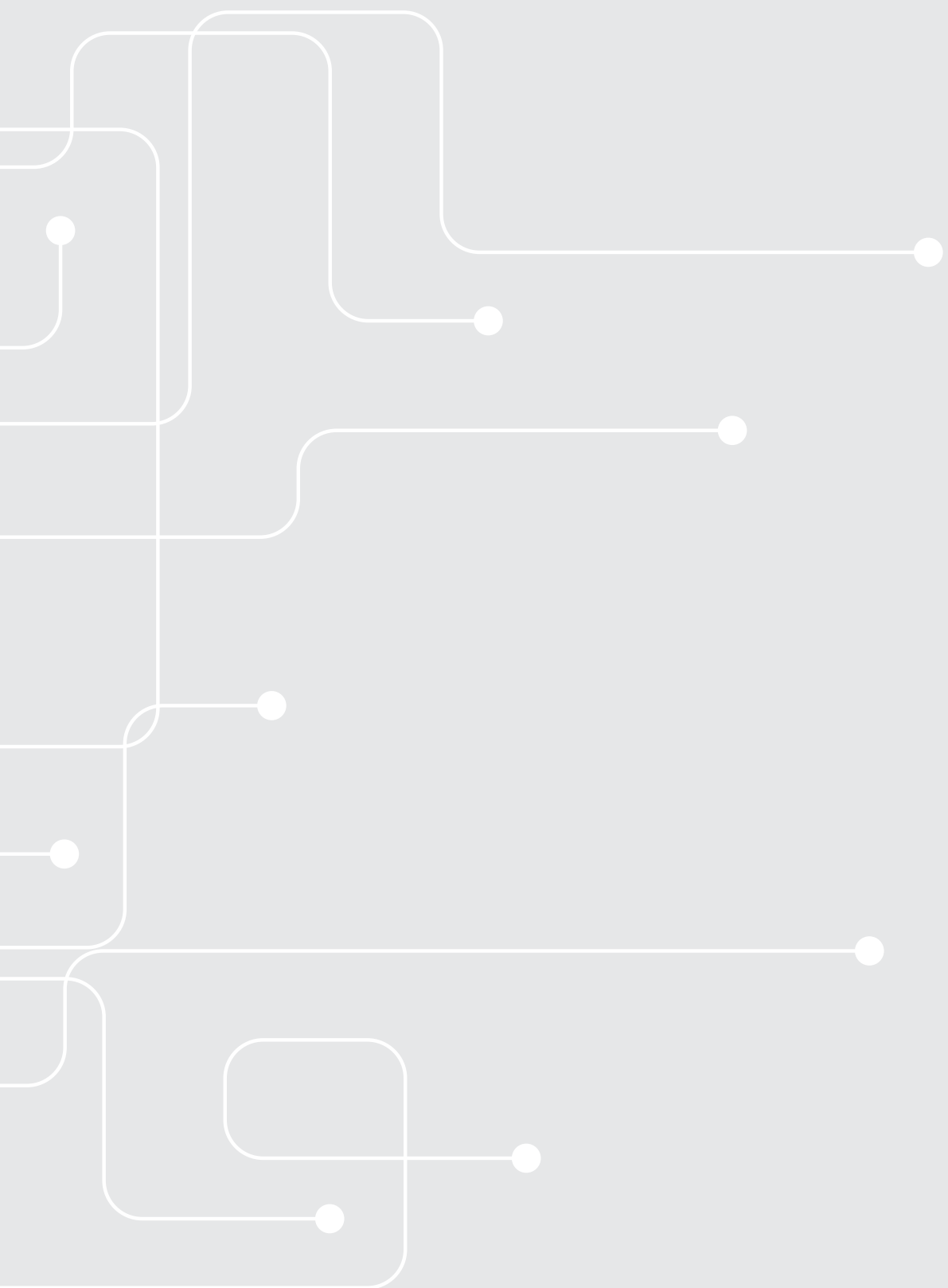
¹ Respondents could describe their plans regarding the number of employees for the next three months as "increasing," "stable," or "decreasing." The balance value of these plans is the difference in the percentage shares of the "increasing" and "decreasing" responses. The BAG Employment Barometer is a weighted mean of the balances in different sectors. The BAG Employment Barometer can be between -100 and +100. -100 means all surveyed businesses expect employment to decrease in the next three months, while +100 means all surveyed businesses expect employment to increase in the next three months.

Table 1: Employment Barometer. Balance values by sector

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Trade	33.3	-45.0	5.6	12.5	-23.5	2.8	18.2	21.6
Service	14.6	-41.7	0.0	-5.0	-8.0	17.6	34.8	-2.3
Manufacturing	11.1	-25.0	0.0	16.7	20.0	17.6	33.3	21.4
Construction	50.0	-80.0	-28.6	14.3	-33.3	30.8	12.5	27.3
BAG	26.1	-46.7	-2.8	6.2	-13.7	14.7	27.4	11.7



Graph 2: BAG Employment Barometer by sector



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