

BAG INDEX

EMPLOYMENT
BAROMETER



საქართველოს ბიზნეს ასოციაცია
BUSINESS ASSOCIATION OF GEORGIA



Leibniz Institute for Economic Research
at the University of Munich



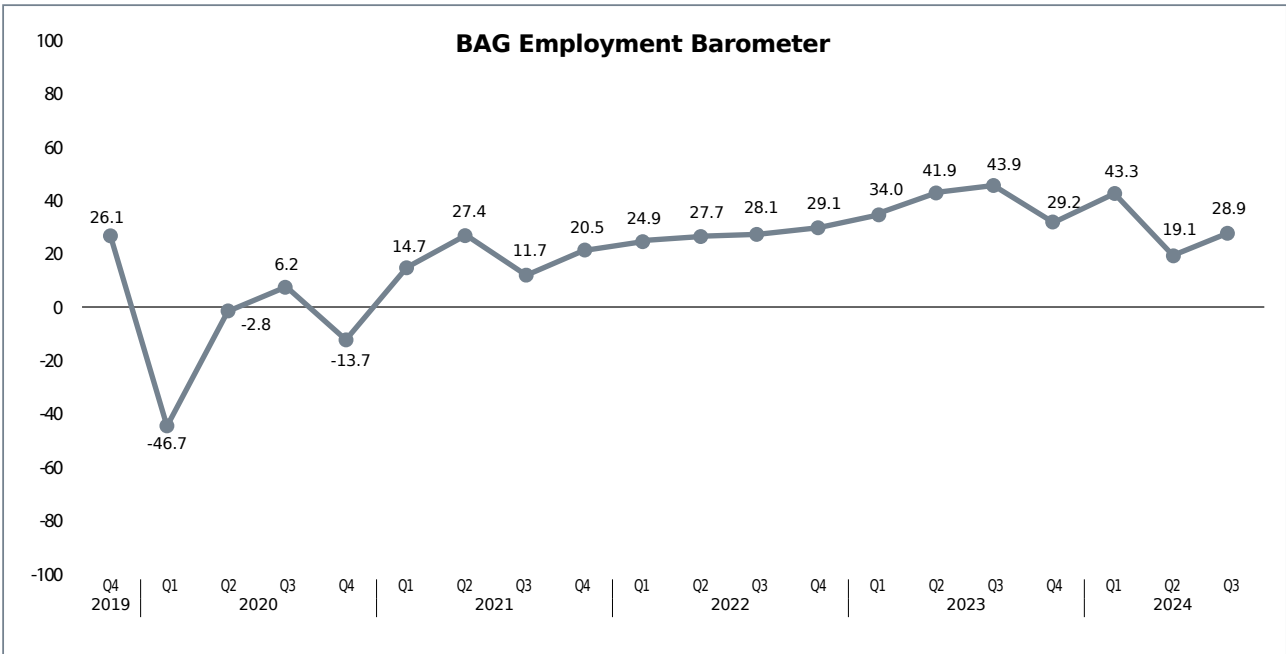
Research

III QUARTER 2024

BAG EMPLOYMENT BAROMETER

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

IN Q3 OF 2024, THE SURVEYED BUSINESSES GENERALLY HAD A POSITIVE OUTLOOK REGARDING EMPLOYMENT FOR THE NEXT THREE MONTHS. THE BAG EMPLOYMENT BAROMETER AMOUNTED TO 28.9 POINTS, MARKING AN INCREASE COMPARED TO THE Q2 OF 2024 (BY 9.8 POINTS), BUT A DECREASE COMPARED TO Q3 OF 2023 (BY 15.0 POINTS).



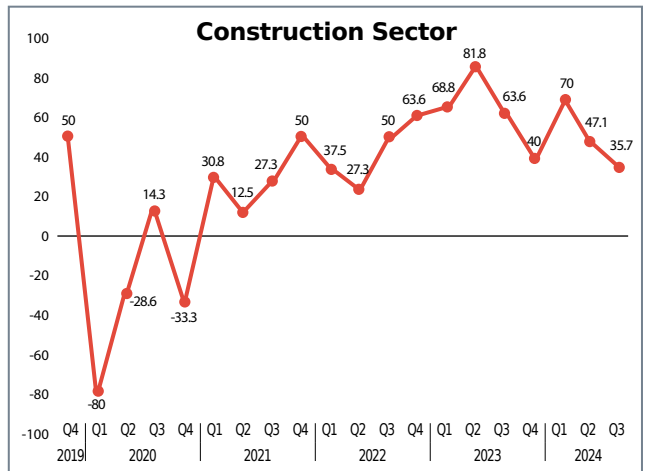
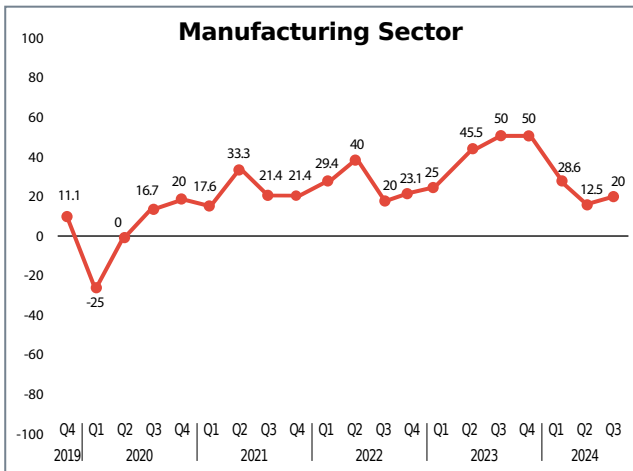
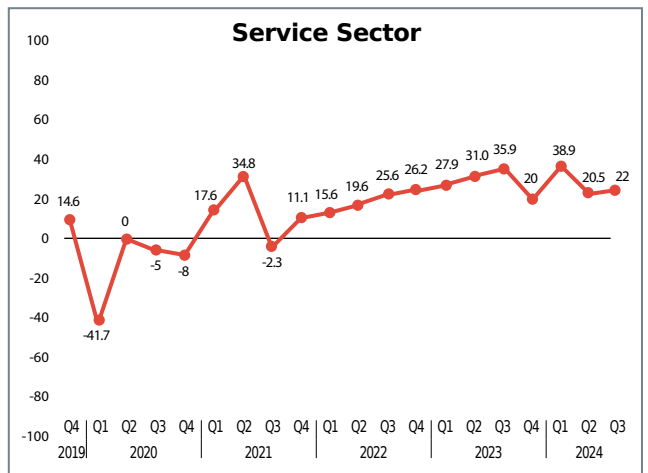
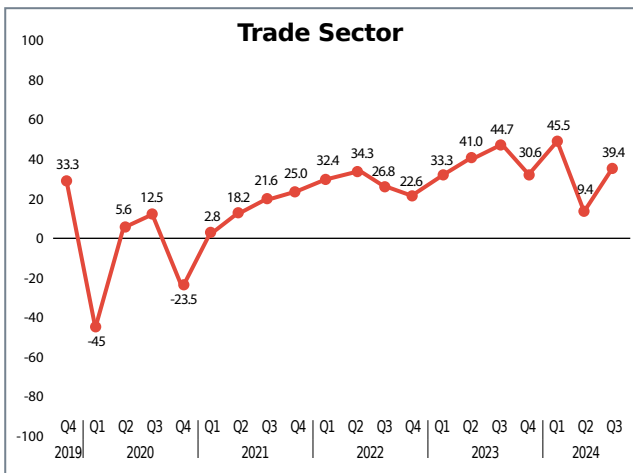
Graph 1: BAG Employment Barometer

In Q3 of 2024, the BAG Employment Barometer was positive for all sectors. In Q3 of 2024, compared to Q2 of 2024, the employment barometer indicator increased in trade (by 30.0 points), manufacturing (by 7.5 points) and services (by 1.5 points), but decreased in the construction sector (by 11.3 points) (see graph 2).

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.

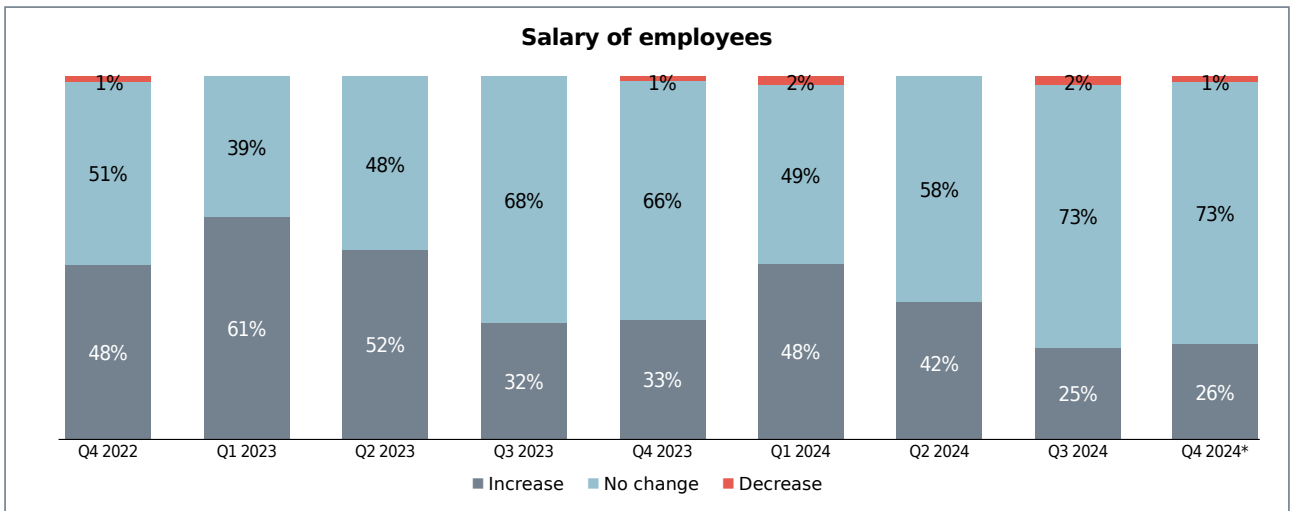
Table 2: Employment Barometer. Balance values by sector

Sector	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Trade	33.3	-45.0	5.6	12.5	-23.5	2.8	18.2	21.6	25.0	32.4	34.3	26.8	22.6	33.3	41.0	44.7	30.6	45.5	9.4	39.4
Service	14.6	-41.7	0.0	-5.0	-8.0	17.6	34.8	-2.3	11.1	15.6	19.6	25.6	26.2	27.9	31.0	35.9	20.0	38.9	20.5	22.0
Manufacturing	11.1	-25.0	0.0	16.7	20.0	17.6	33.3	21.4	21.4	29.4	40.0	20.0	23.1	25.0	45.5	50.0	50.0	28.6	12.5	20.0
Construction	50.0	-80.0	-28.6	14.3	-33.3	30.8	12.5	27.3	50.0	37.5	27.3	50.0	63.6	68.8	81.8	63.6	40.0	70.0	47.1	35.7
BAG	26.1	-46.7	-2.8	6.2	-13.7	14.7	27.4	11.7	20.5	24.9	27.7	28.1	29.1	34.0	41.9	43.9	29.2	43.3	19.1	28.9



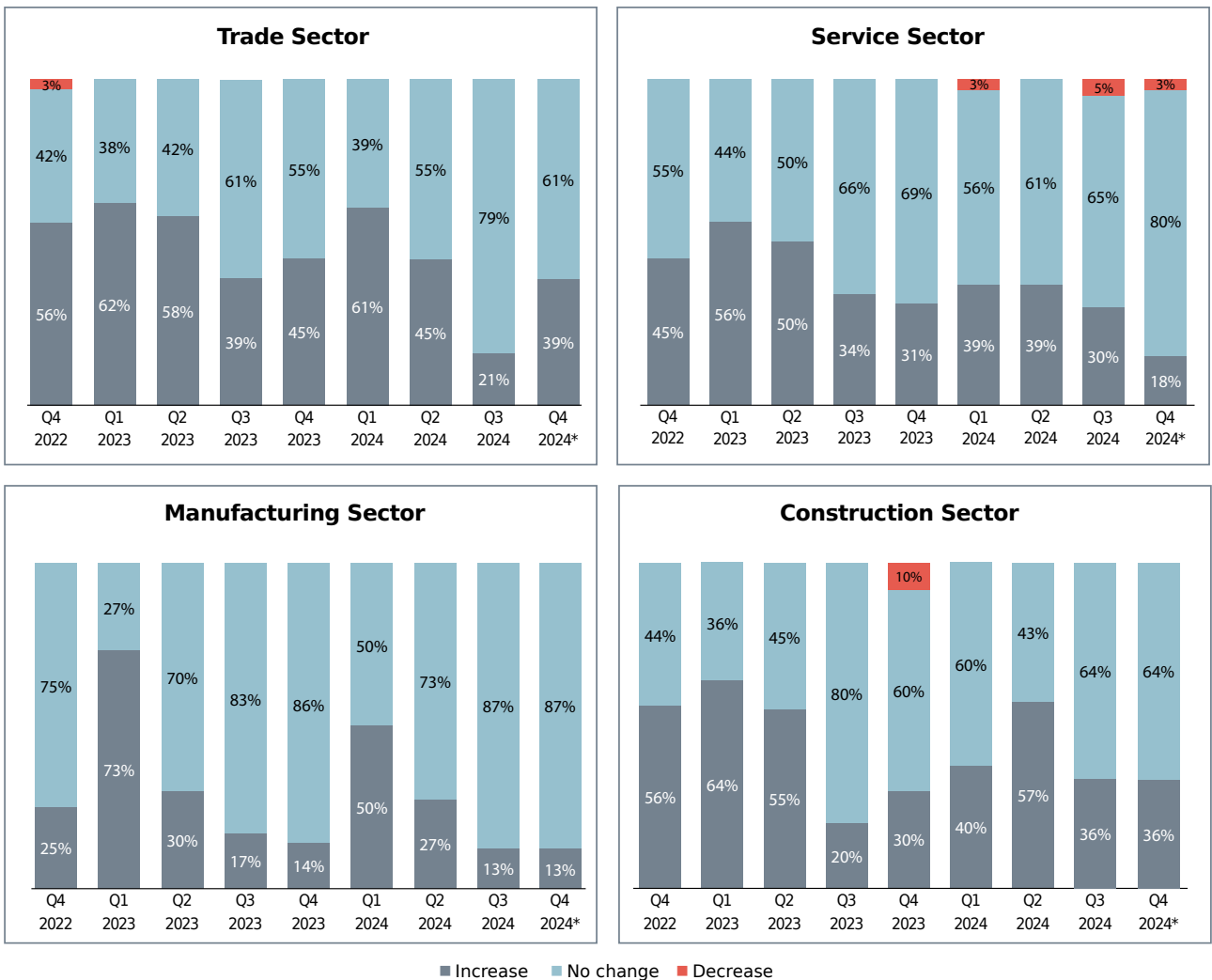
Graph 2: BAG Employment Barometer by sector

When examining employment, it is imperative to analyze the employee compensation dynamics in the process. The survey results revealed that 25% of companies raised their employees' salaries in Q3 of 2024, which is lower compared to both previous quarter and the corresponding quarter of the previous year (see graph 3).



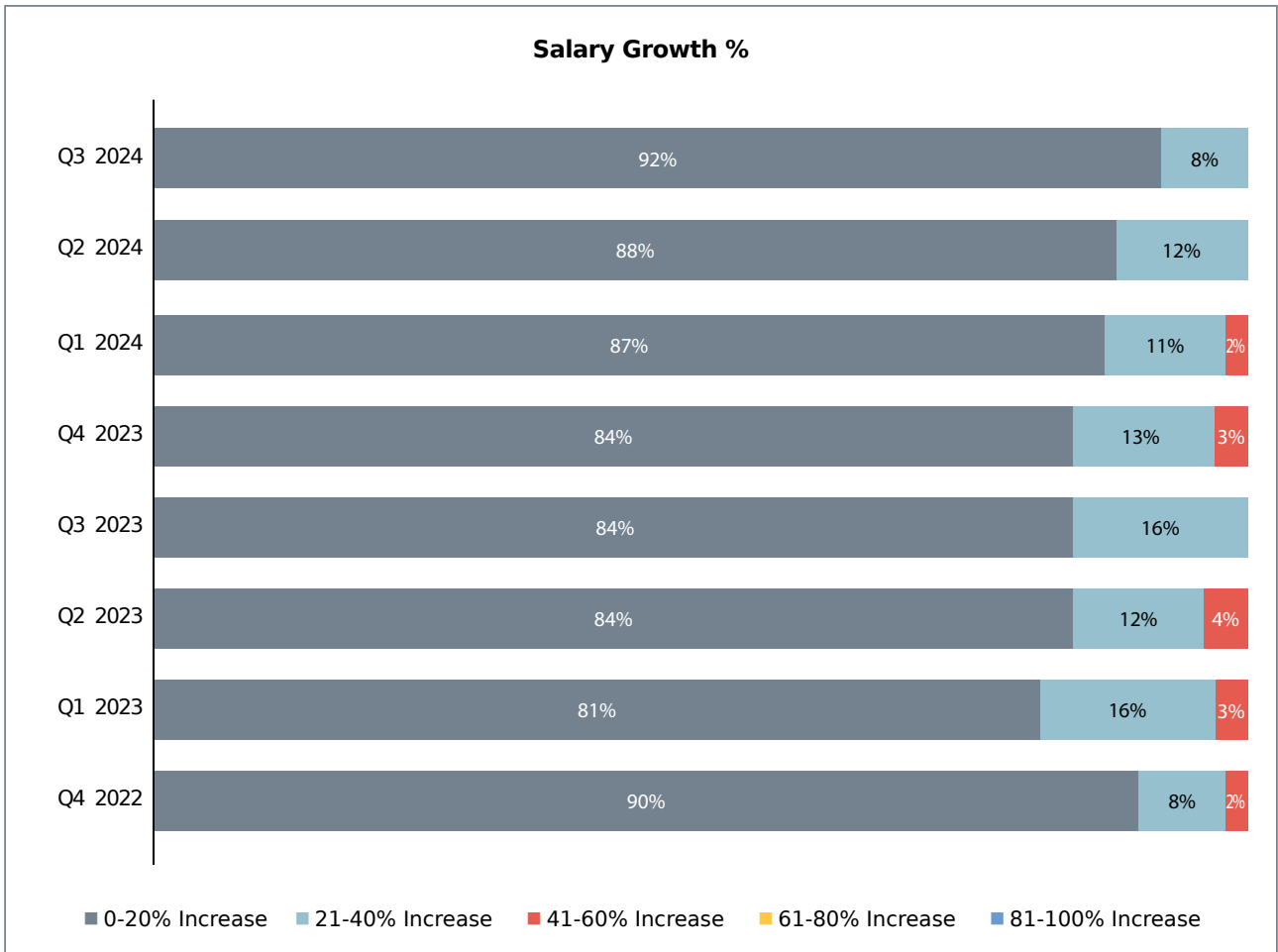
Graph 3: Salary of employees

By sector, in Q3 of 2024, the largest share of companies in the construction sector (36%) recorded an increase in the salaries of employees. In Q4 of 2024, the largest share of companies planning to increase the wages of employees was recorded in the trade sector (39%) (see Graph 4).

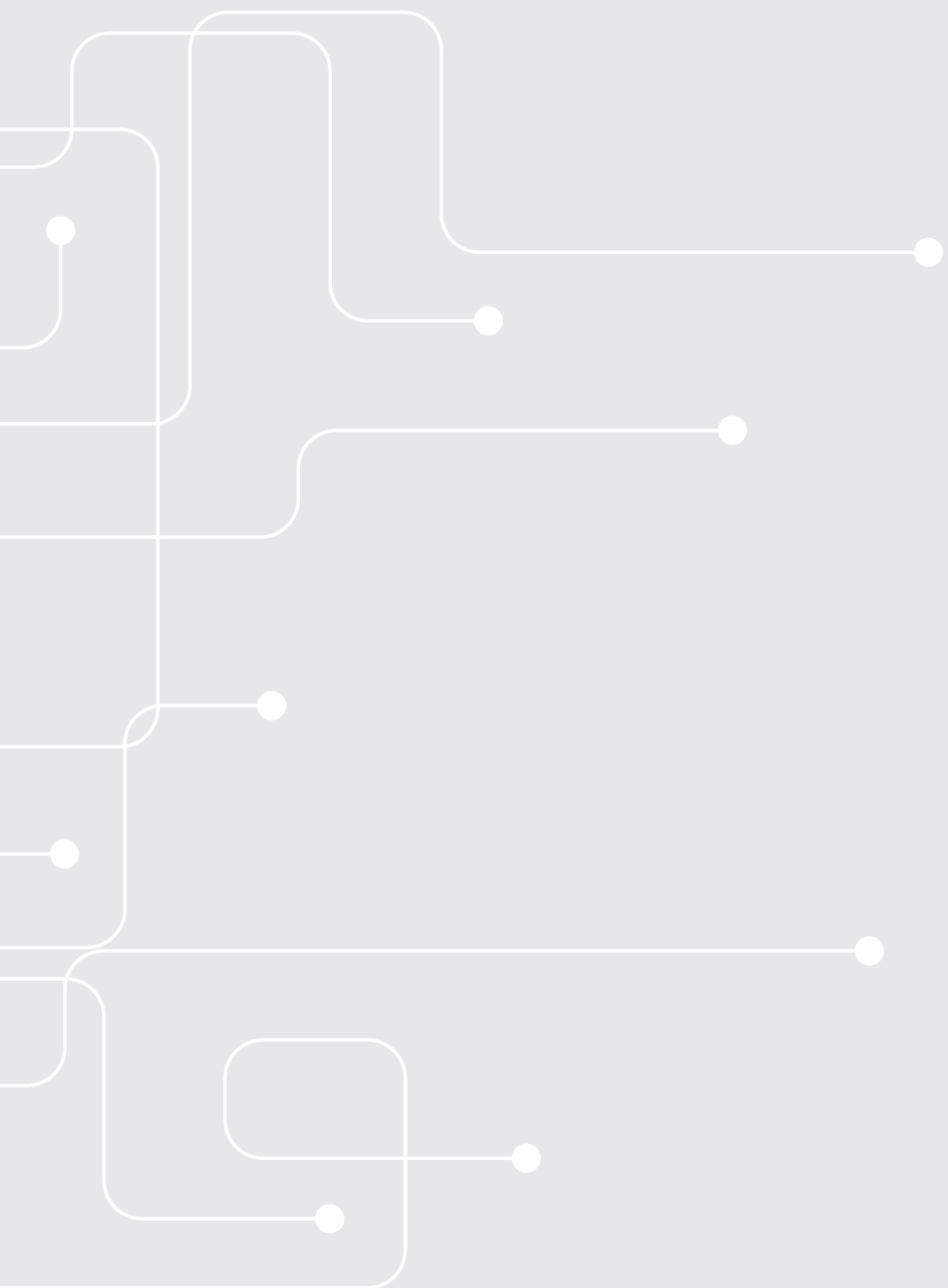


Graph 4: Salary of employees in trade, manufacturing, service and construction sectors

In Q3 of 2024 most surveyed companies (92%), who increased the salaries of their employees, increased the salaries of their employees by 0-20%. Meanwhile, 8% of the surveyed companies increased the salaries of their employees by 21-40%.



Graph 5: Growth (%) of salary of employees



CONTACT:

2 Leonidze Street, Tbilisi, Georgia

☎ +995 32 2 202-215

✉ info@bag.ge

f Business Association of Georgia

www.bag.ge