

# BAG INDEX

INVESTMENT  
SURVEY



საქართველოს ბიზნეს ასოციაცია  
BUSINESS ASSOCIATION OF GEORGIA



Leibniz Institute for Economic Research  
at the University of Munich



Research

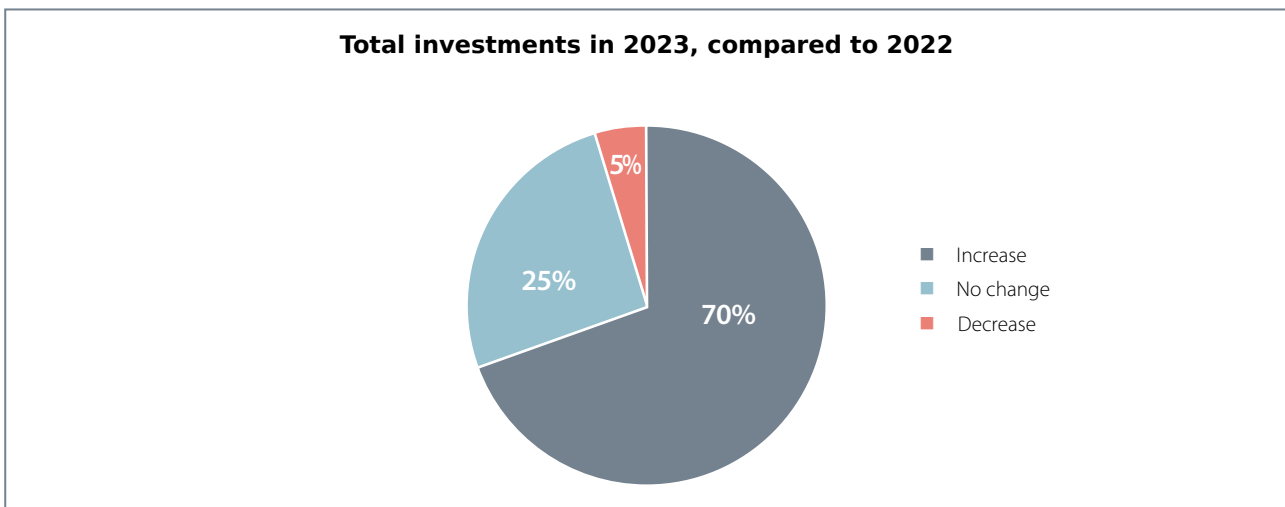
I QUARTER 2024

## BAG INVESTMENT SURVEY

As part of an investment survey, which is carried out bi-annually, PMC Research Center collects data on investment trends. For the purposes of this survey, respondents were divided into the following four sectors (similar to the BAG Business Climate): trade, service, manufacturing and construction. The survey conducted in the first quarter of 2024 covered investments made by surveyed businesses in 2023 and their plans for 2024.

### INVESTMENT ENVIRONMENT IN 2023

Overall, 70% of the surveyed businesses stated that their total investments had increased in 2023, compared to 2022. Meanwhile, 25% of the surveyed companies claimed their total investments were unchanged, while 5% stated their investments had decreased over the same period.



**Graph 1:** Investment environment in 2023

Amongst sectors, 76% of respondents in the trade sector stated that total investments increased in 2023, compared to 2022. At the same time, 69% of surveyed companies in the service and manufacturing sectors recorded an increase in total investments in this timeframe, while for the construction sector this figure was 50%.

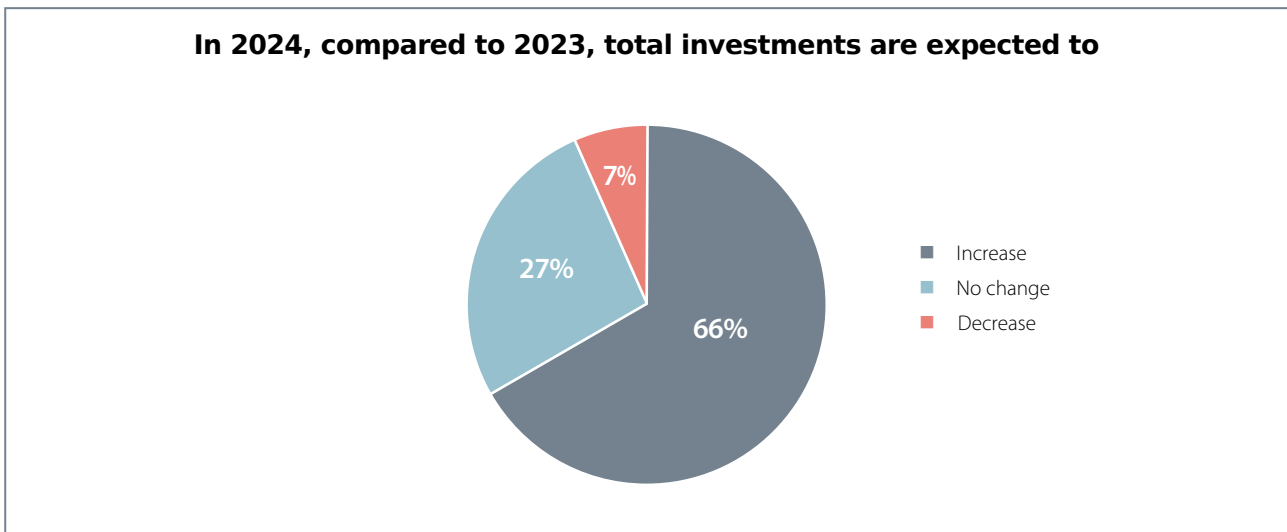
It must be mentioned that none of the companies in the trade sector reported a decrease in investments, while 23% of the companies in the manufacturing sector reported a decrease in total investments in 2023, compared to 2022. These figures for the construction and service sectors were 10% and 3% (for detailed information see graphs 3, 4, 5 and 6).

In 2023, the majority of companies recorded an increase in their total investments in equipment (65%). The increase in investments in software and databases (57%) and plants (52%) was recorded in a relatively smaller share of the surveyed companies.

Looking at things sector by sector, the trade sector recorded the highest percentage share of companies (79%) stating an increase in their total investments in equipment among the four sectors. Notably, the trade sector was also performing better than other sectors regarding investments in software/databases (74% stating an increase) and plants (61%).

## INVESTMENT PLANS FOR 2024

In Q1 of 2024, 66% of surveyed businesses are planning to increase their total investments in 2024, compared to 2023. At the same time, 27% of the surveyed companies expect no change in their total investments, while only 7% expect a decrease in total investments.

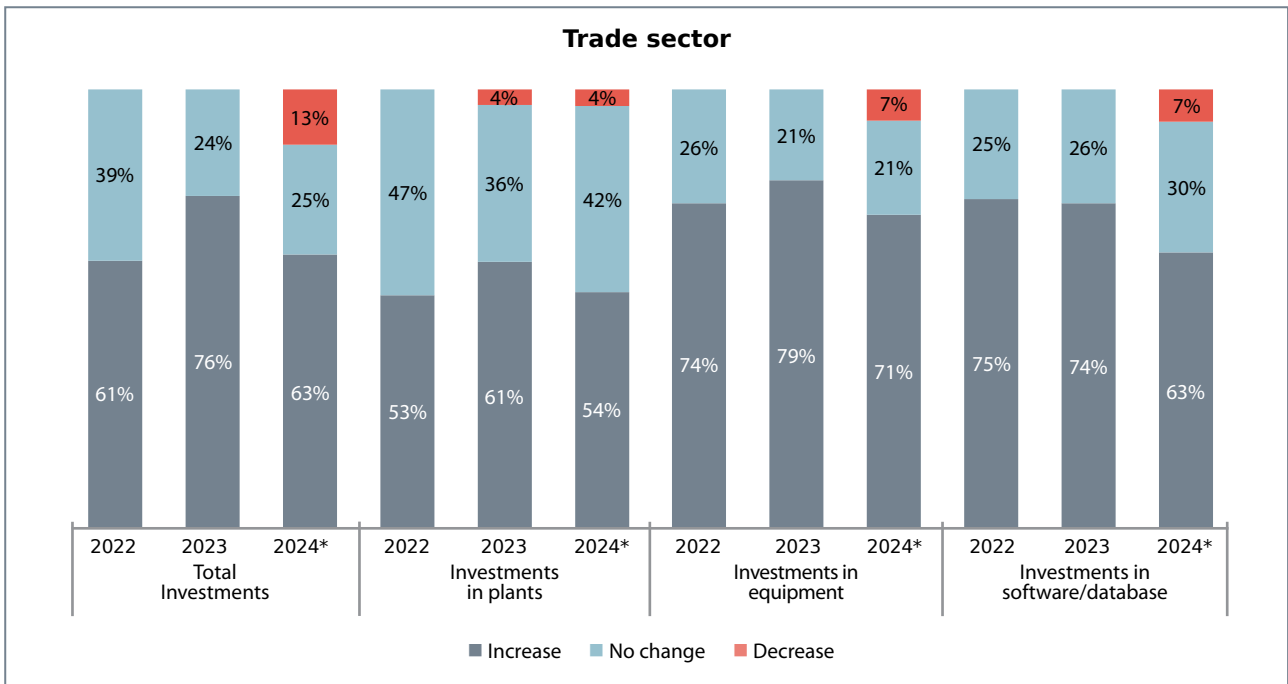


**Graph 2:** Investment plans of companies for 2024

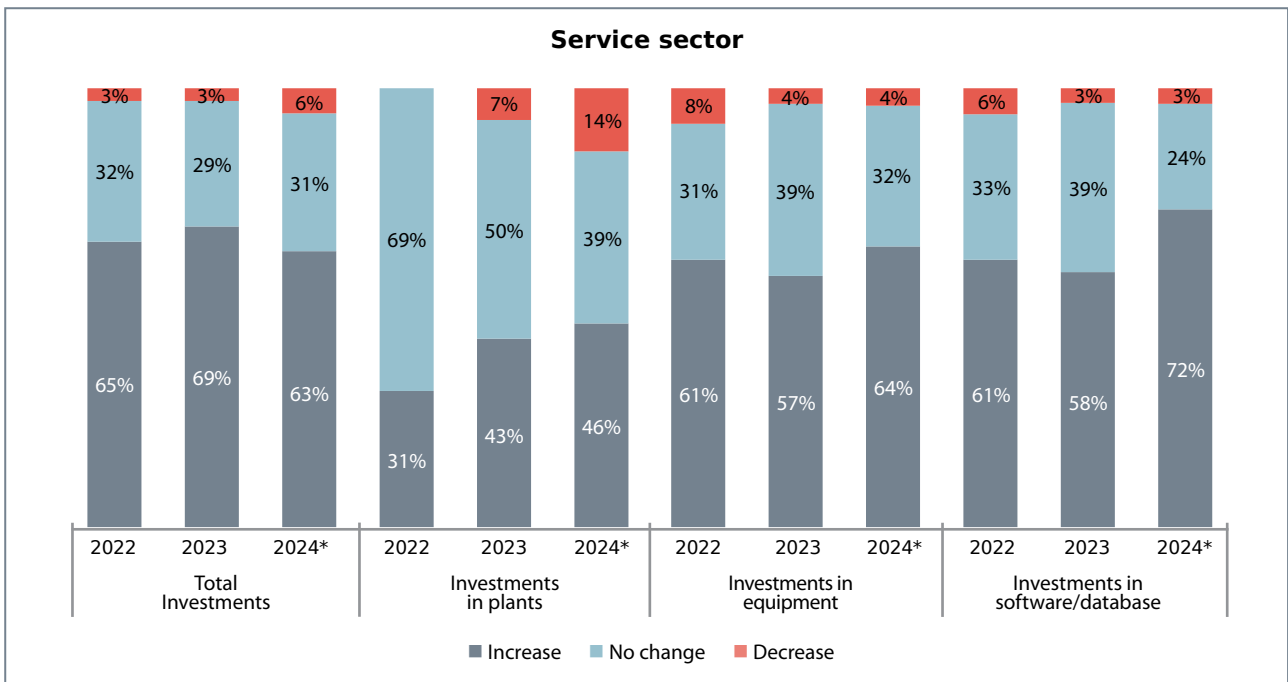
Amongst all four sectors, the construction sector conveyed the most optimistic expectations in the direction of investment for 2024. 90% of companies in the construction sector claimed that they will increase their total investment in 2024, compared to 2023. In the manufacturing sector, similar expectations are reported by 69% of the companies, while in service and trade sectors, this figure is equal to 63%.

In 2024, more positive expectations with regard to investments were recorded in equipment, while less positive expectations were recorded with regard to investments in software/databases and plants. 68% of the surveyed companies expect to increase their investments in equipment in 2024, compared to 2023. Meanwhile, 64% of the businesses have the same expectations for investments in software/databases. Moreover, 53% claim that their investments in plants will increase in 2024, compared to 2023.

It must be noted that, among the covered sectors, the most positive expectation with regard to investments in equipment is conveyed in trade sector. In particular, 71% of the companies in trade sector plan to increase investment in equipment. Regarding the investments in software/databases, the most positive expectations are recorded in service sector with 72% of the companies planning to increase investments, while the most positive expectations regarding the investments in plants are recorded in construction sector (80%).

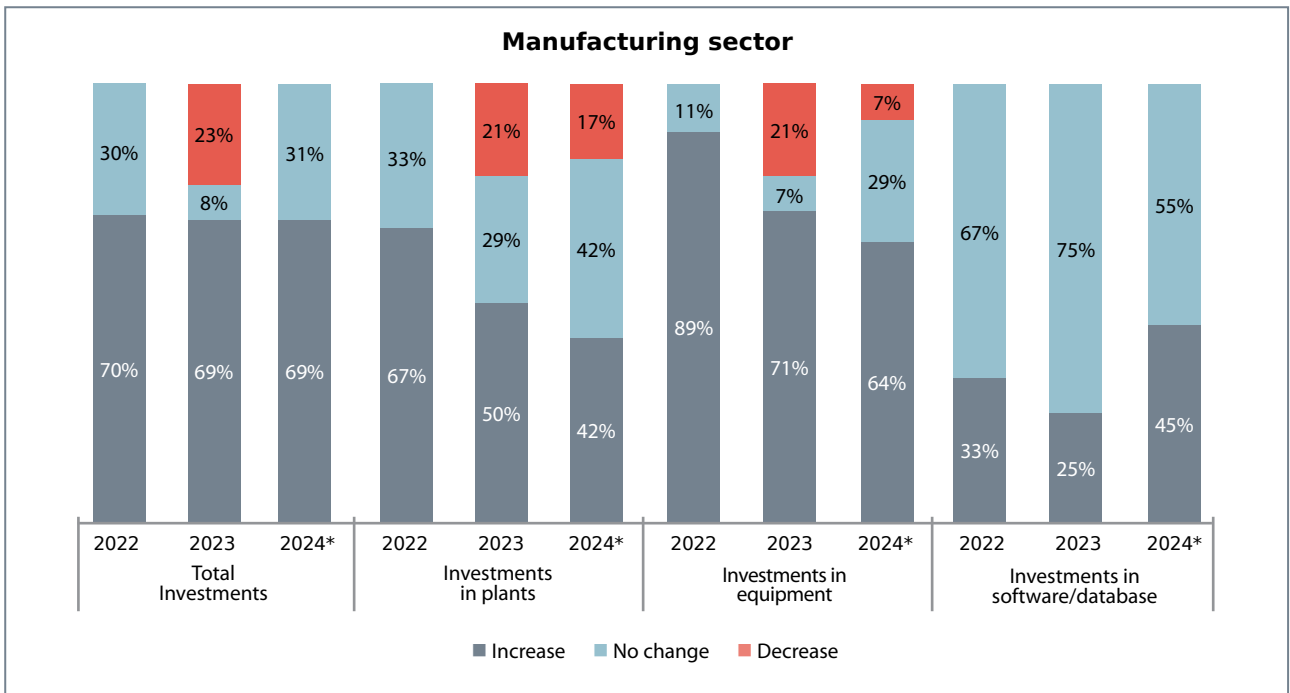


**Graph 3:** Investment environment in 2022 and 2023 and investment plans for 2024 in the trade sector (change compared to the previous year)<sup>1</sup>

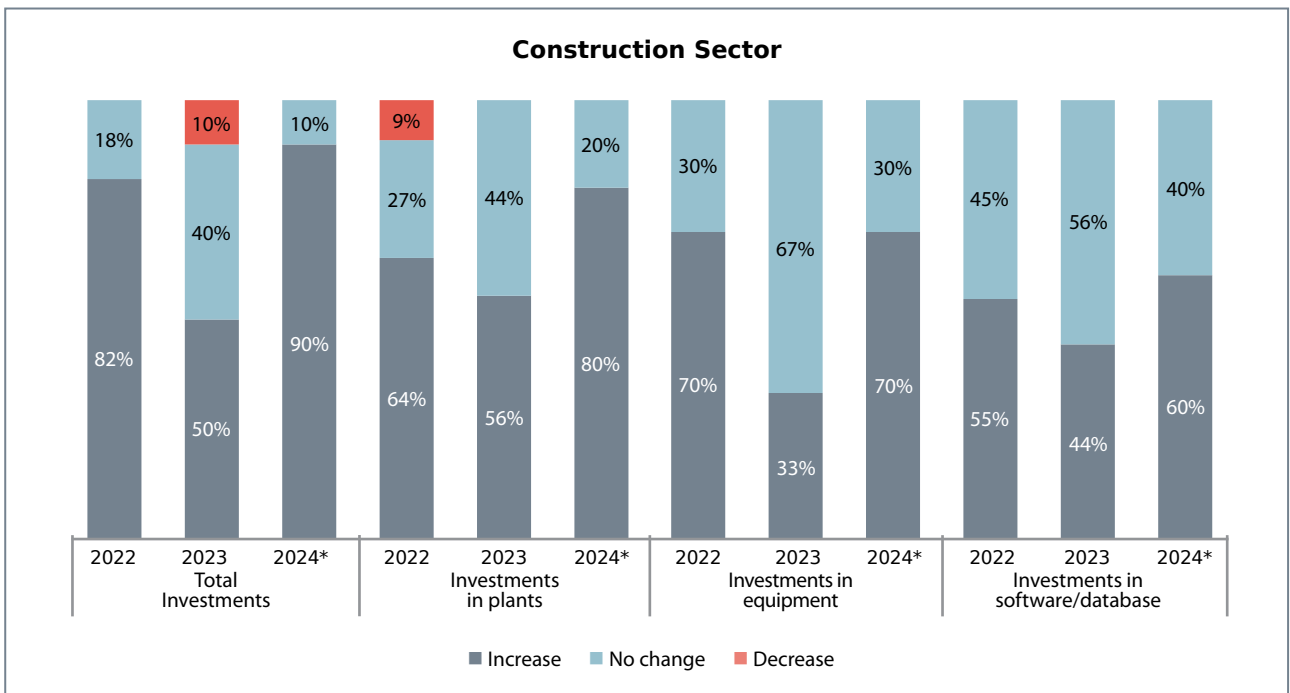


**Graph 4:** Investment environment in 2022 and 2023 and investment plans for 2024 in the service sector (change compared to the previous year)

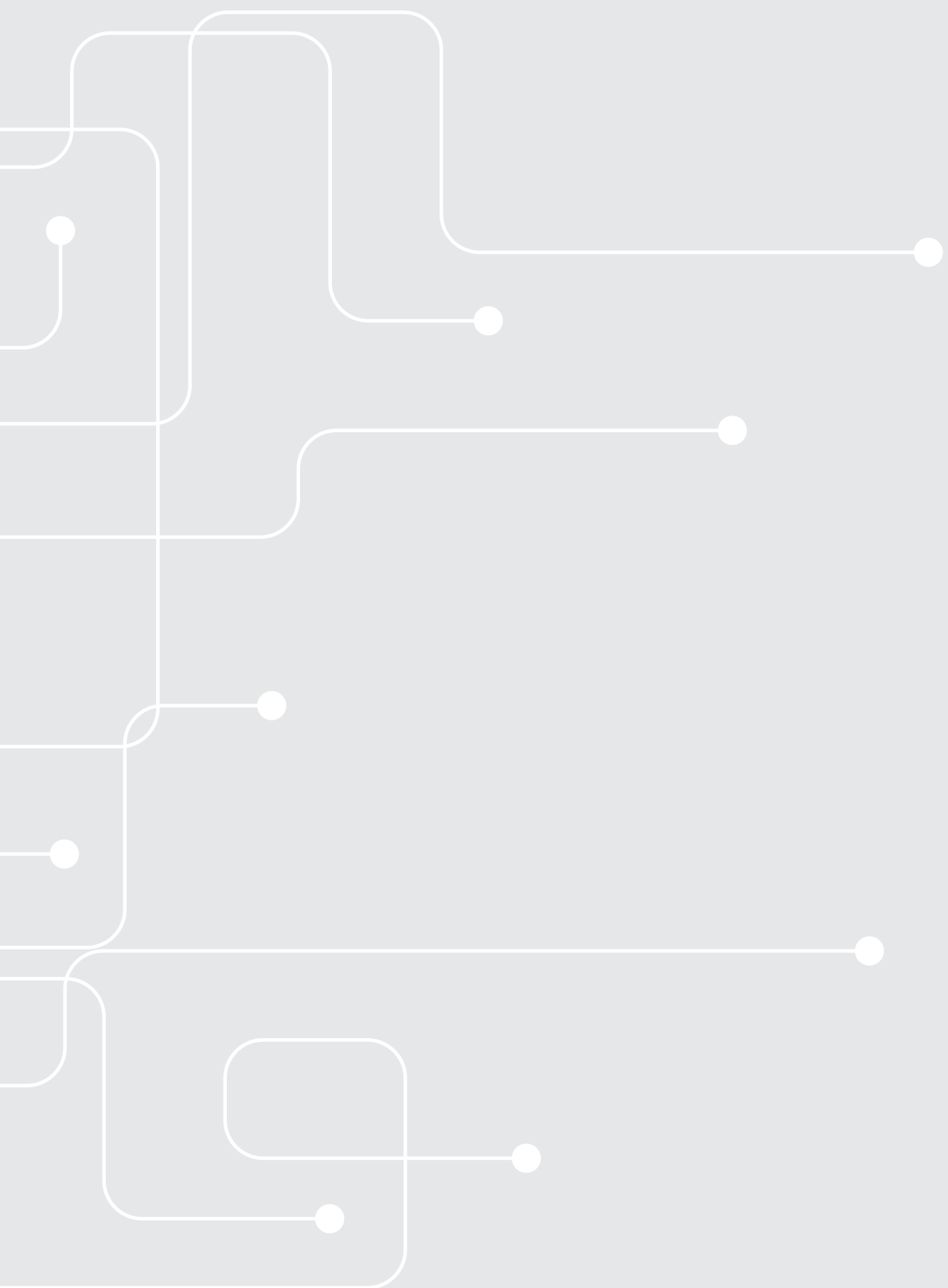
<sup>1</sup> Due to the rounding of number, in some graphs the sum of the data does not always equal 100%.  
 \* Expectation.



**Graph 5:** Investment environment in 2022 and 2023 and investment plans for 2024 in the manufacturing sector (change compared to the previous year)



**Graph 6:** Investment environment in 2022 and 2023 and investment plans for 2024 in the construction sector (change compared to the previous year)



## CONTACT:

2, G. Leonidze Street, Tbilisi, Georgia

☎ +995 32 2 202-215

✉ info@bag.ge

f Business Association of Georgia

[www.bag.ge](http://www.bag.ge)